

28 August 2020

Markets Announcements Office
ASX Limited
20 Bridge Street
Sydney NSW 2000

COMPULSORY ACQUISITION OF SHARES IN STRATEGIC MINERALS CORPORATION N.L.

On 7 May 2020, QGold Pty Ltd ACN 149 659 950 (**QGold**) increased its interest in Strategic Minerals Corporation N.L. ACN 008 901 380 (**Strategic Minerals**) and now holds more than 90% of the voting power in Strategic Minerals and a beneficial interest in at least 90% by value of all securities in Strategic Minerals.

QGold has commenced the process for compulsorily acquiring the outstanding ordinary shares (**Ordinary Shares**) in Strategic Minerals by lodging the relevant compulsory acquisition notices with the Australian Securities and Investments Commission (**ASIC**).

In accordance with section 664C(2)(d) of the *Corporations Act 2001* (Cth) (**Corporations Act**), we attach the following documents:

1. a letter to the shareholders of Strategic Minerals;
2. ASIC Form 6024;
3. a copy of the Independent Expert's Report prepared by BDO Corporate Finance in accordance with Part 6A.4 of the Corporations Act; and
4. an objection form.

The enclosed documents were lodged with ASIC on 28 August 2020 and lodged with Strategic Minerals on 28 August 2020 and will be dispatched to Strategic Minerals shareholders who hold Ordinary Shares in accordance with section 664C(2)(b).

Yours sincerely



Christopher Wallin
Director

28 August 2020

Dear Shareholder

COMPULSORY ACQUISITION OF SHARES IN STRATEGIC MINERALS CORPORATION N.L.

As you may be aware, on 7 May 2020, QGold Pty Ltd ACN 149 659 950 (**QGold**) increased its interest in Strategic Minerals Corporation NL ACN 008 901 380 (**Strategic Minerals**) and holds more than 90% of the voting power in Strategic Minerals and a beneficial interest in at least 90% by value of all securities in Strategic Minerals.

You have received this letter and the enclosed documents as you hold ordinary shares in Strategic Minerals.

QGold is exercising its right to commence the process of compulsorily acquiring the remaining ordinary shares in Strategic Minerals (**Ordinary Shares**) which it and its related bodies corporate do not otherwise own in accordance with Part 6A.2 of the Corporations Act 2001 (Cth) (**Corporations Act**).

QGold proposes to compulsorily acquire the remaining Ordinary Shares for \$0.50 per share.

As required by the Corporations Act, QGold has obtained a report from an independent expert who was nominated by the Australian Securities and Investments Commission (**ASIC**). The independent expert's report (**Independent Expert's Report**) concludes that the fair value for each Ordinary Share is between \$0.36 and \$0.64 on a net asset value method and \$0.46 and \$0.50 on a quoted market price method. Shareholders should carefully read section 4 of the Independent Experts Report for a discussion of these valuation methods and the approach taken by the independent expert to value the Ordinary Shares of Strategic Minerals.

QGold encloses the following documents:

- ASIC Form 6024 (**Notice**);
- a copy of the Independent Expert's Report prepared by BDO Corporate Finance in accordance with Part 6A.4 of the Corporations Act; and
- an objection form.

The Notice was lodged with ASIC on 28 August 2020. As well as providing formal notice of QGold's intention to compulsorily acquire your Ordinary Shares, the Notice sets out certain rights available to you under the Corporations Act in response to the Notice.

WHAT DO YOU NEED TO DO?

The Independent Expert Report is an important document and you should read it in its entirety. If you have queries or uncertainties, you should consult your investment, financial or other professional adviser.

If you wish to object to the acquisition, you may complete and return the Objection Form by 2 October 2020, otherwise, no action is required.

Yours sincerely



Christopher Wallin
Director

Notice of compulsory acquisition

Notice

Description of class of securities

To each holder of:

Class of securities ('the class')

Ordinary Shares

in

Name of target company

Name ('the Company')

STRATEGIC MINERALS CORPORATION N.L.

ACN/ARBN/ARSN

008901380

Insert name of 90% Holder

1. QGold Pty Ltd

Tick one box

☒

holds either alone or with a related body corporate, full beneficial interests in at least 90% of the securities (by number) in the class.

☐

has voting power of at least 90% in the Company and holds, either alone or with a related body corporate, full beneficial interests in at least 90% by value of all securities of the Company that are either shares or convertible into shares.

Description of class of securities

2. Under subsection 664A(3) of the Corporations Act 2001 ('the Act') the 90% Holder may compulsorily acquire all the

Ordinary Shares

if less than 10% by value of holders in that class have objected to the acquisition by the end of the objection period set out in this notice or the Court approves the acquisition under section 664F of the Act.

3. The 90% Holder hereby gives notice that it proposes to compulsorily acquire

Description of class of securities

Ordinary Shares

that you hold for the cash amount of

Cash amount for the securities. This may be expressed as an amount per security.

\$0.50

Period during which holders may return the objection form. The period must be at least one month.

4. Under section 664E of the Act, you, (or anyone who acquires the securities during the objection period) have the right to object to the acquisition of your securities by completing and returning the objection form that accompanies this notice within

One month

of receipt of this notice. The objection cannot be withdrawn

5. You have the right to obtain the names and addresses of everyone else who holds securities in the class from the Company register.

6. Under section 664F of the Act, if 10% of holders of securities covered by this compulsory acquisition notice have objected to the acquisition before the end of the objection period, the 90% Holder may, within one month after the end of the objection period, apply to the Court for approval of the acquisition of the securities covered by this notice.

7. During the last 12 months the 90% Holder or an associate has purchased securities of the same class for

Details of the consideration given for the securities

3,334 shares @ \$0.350/share
10,498,446 shares @ \$0.360/share
414 shares @ \$0.375/share
66,981 shares @ \$0.380/share
772 shares @ \$0.395/share
103,096 shares @ \$0.400/share

Include any information that is known to the 90% Holder or any related bodies corporate that is material to deciding whether to object to the acquisition and has not

8.

N/A

been disclosed in an experts report
under section 667A of the Act.

Signature

Name of person signing

Christopher Wallin

Capacity

On behalf of the Regulated Entity named in this document as a director of that entity

Signature

Christopher Wallin

Date signed

28-Aug-2020 07:47

Privacy

The information provided to ASIC in this form may include personal information. Please refer to our privacy policy (www.asic.gov.au/privacy) for information about how we handle your personal information, your rights to seek access to and correct personal information and to complain about breaches of your privacy,

Lodgement

For more information

Web www.asic.gov.au
Need help? www.asic.gov.au/question

Telephone 1300 300 630



INDEPENDENT EXPERT'S REPORT
Strategic Minerals Corporation N.L.

Compulsory Acquisition of the
Remaining Shares in Strategic Mineral
Corporation N.L. by QGold Pty Ltd

24 August 2020

FINANCIAL SERVICES GUIDE

Dated: 24 August 2020

This Financial Services Guide ('FSG') helps you decide whether to use any of the financial services offered by BDO Corporate Finance (East Coast) Pty Ltd ('BDO Corporate Finance, we, us, our').

The FSG includes information about:

- Who we are and how we can be contacted;
- The services we are authorised to provide under our Australian Financial Services Licence, Licence No: 247420
- Remuneration that we and/or our staff and any associates receive in connection with the financial services
- Any relevant associations or relationships we have
- Our complaints handling procedures and how you may access them.

FINANCIAL SERVICES WE ARE LICENSED TO PROVIDE

We hold an Australian Financial Services Licence which authorises us to provide financial product advice to retail and wholesale clients about securities and certain derivatives (limited to old law securities, options contracts and warrants). We can also arrange for customers to deal in securities, in some circumstances. Whilst we are authorised to provide personal and general advice to retail and wholesale clients, we only provide *general* advice to retail clients.

Any general advice we provide is provided on our own behalf, as a financial services licensee.

GENERAL FINANCIAL PRODUCT ADVICE

Our general advice is typically included in written reports. In those reports, we provide general financial product advice that is prepared without taking into account your personal objectives, financial situation or needs. You should consider the appropriateness of the general advice having regard to your own objectives, financial situation and needs before you act on the advice. Where the advice relates to the acquisition or possible acquisition of a financial product, you should also obtain a product disclosure statement relating to the product and consider that statement before making any decision about whether to acquire the product.

FEES, COMMISSIONS AND OTHER BENEFITS THAT WE MAY RECEIVE

We charge fees for providing reports. These fees are negotiated and agreed to with the person who engages us to provide the report. Fees will be agreed on an hourly basis or as a fixed amount depending on the terms of the agreement. In this instance, the Company has agreed to pay us \$16,000 for preparing the Report.

Except for the fees referred to above, neither BDO Corporate Finance, nor any of its directors, employees or related entities, receive any pecuniary benefit or other benefit, directly or indirectly, for or in connection with the provision of general advice.

All our employees receive a salary. Our employees are eligible for bonuses based on overall company performance but not directly in connection with any engagement for the provision of a report.

REFERRALS

We do not pay commissions or provide any other benefits to any person for referring customers to us in connection with the reports that we are licensed to provide.

ASSOCIATIONS AND RELATIONSHIPS

BDO Corporate Finance is a member firm of the BDO network in Australia, a national association of separate entities (each of which has appointed BDO (Australia) Limited ACN 050 110 275 to represent it in BDO International). The general financial product advice in our report is provided by BDO Corporate Finance and not by BDO or its related entities. BDO and its related entities provide services primarily in the areas of audit, tax, consulting and financial advisory services.

We do not have any formal associations or relationships with any entities that are issuers of financial products. However, you should note that we and BDO (and its related entities) might from time to time provide professional services to financial product issuers in the ordinary course of business.

COMPLAINTS RESOLUTION

Internal Complaints Resolution Process

As the holder of an Australian Financial Services Licence, we are required to have a system for handling complaints from persons to whom we provide financial product advice. Complaints can be in writing, addressed to the Complaints Officer, BDO Corporate Finance, Level 11, 1 Margaret St, Sydney NSW 2001 or by telephone or email, using the contact details at the top of this FSG.

When we receive a complaint we will record the complaint, acknowledge receipt of the complaint within 15 days and investigate the issues raised. As soon as practical, and not more than **45 days** after receiving the written complaint, we will advise the complainant in writing of our determination.

Referral to External Dispute Resolution Scheme

If a complaint relating to general advice to a retail client is not satisfied with the outcome of the above process, or our determination, has the right to refer the matter to the Australian Financial Complaints Authority (AFCA). AFCA is an independent company that has been established to impartially resolve disputes between consumers and participating financial services providers.

BDO Corporate Finance is a member of AFCA (Member Number 11843).

Further details about AFCA are available at the AFCA website www.afca.org.au or by contacting them directly via the details set out below.

Australian Financial Complaints Authority
GPO Box 3
MELBOURNE VIC 3001
Toll free: 1800 931 678
Email: info@afca.org.au

COMPENSATION ARRANGEMENTS

BDO Corporate Finance and its related entities hold Professional Indemnity insurance for the purpose of compensating retail clients for loss or damage suffered because of breaches of relevant obligations by BDO Corporate Finance or its representatives under Chapter 7 of the Corporations Act 2001. These arrangements and the level of cover held by BDO Corporate Finance satisfy the requirements of section 912B of the Corporations Act 2001.

CONTACT DETAILS

You may provide us with instructions using the details set out at the top of this FSG or by emailing - cf.ecp@bdo.com.au

The Directors
QGold Pty Ltd
Level 15, 40 Creek Street
Brisbane QLD 4000

24 August 2020

Dear Directors

**INDEPENDENT EXPERT'S REPORT IN RELATION TO THE COMPULSORY ACQUISITION OF THE REMAINING SHARES
IN STRATEGIC MINERALS CORPORATION N.L. BY QGOLD PTY LTD**

Proposed Transaction

QGold Pty Ltd (**QGold**) currently holds 90.73% of shares in Strategic Minerals Corporation N.L. (**SMC** or the **Company**). As a result of acquiring at least a 90% interest in SMC's shares, QGold intends to compulsorily acquire all of the issued shares of SMC which QGold does not own (**Remaining Shares**), pursuant to section 664A of the Corporations Act 2001 (Cth) (Act) (**Proposed Transaction**). The offer price is cash consideration of \$0.50 per share (**Offer**) and is only offered to the remaining holders of the shares, excluding QGold (**Remaining Shareholders**).

Full details of the Proposed Transaction are set out in the Notice of Compulsory Acquisition (**Notice**).

This Report sets out our opinion as to whether the Offer gives a fair value for the Remaining Shares.

Introduction

BDO Corporate Finance (East Coast) Pty Ltd (ABN 70 050 038 170) (**BDOCF**, **we**, **us** or **our**) was nominated by the Australian Securities and Investment Commission (**ASIC**) and has been engaged by the Directors of QGold to prepare an Independent Expert's Report (**Report** or **IER**). Consistent with Section 667A, the purpose of the IER is to state whether or not, in our opinion, the terms of the compulsory acquisition proposed by QGold give a fair value for the Remaining Shares and sets out the reasons for forming our opinion. A copy of the IER is to be included in the Notice.

We issued a factual accuracy draft IER to the Company on 13 August 2020, at which the Offer price was \$0.36. Subsequent to this, we received notice that the Directors of QGold had revised their Offer to \$0.50.

Summary of Opinion

In Section 8 of this report we set out our valuation conclusions.

The Offer by QGold is within our valuation range, using the preferred value as assessed by the independent technical expert. Therefore, we conclude that the Offer as outlined in the Notice gives a fair value for the Remaining Shares.

A summary of our analysis in forming the above opinion is provided below.

Fairness Assessment

In undertaking our fairness opinion, we have had regard to Section 667C of the Act, which stipulates that the IER must state whether or not, in our opinion, the Offer, as outlined in the Notice, gives a fair value for the Remaining Shares and outline the reasons for our opinion.

Section 667C states that to determine what "fair value" is:

- First, assess the value of the company as a whole;
- Then allocate that value among the classes of issued securities in the company (taking into account the relative financial risk, and voting and distribution rights, of the classes); and
- Then allocate the value of each class pro rata among the securities in that class (without allowing a premium or applying a discount for particular securities in that class).

Additionally, Section 667C of the Act states that,

“without limiting subsection (1), in determining what is fair value for securities for the purposes of this Chapter, the consideration (if any) paid for securities in that class within the previous 6 months must be taken into account.”

Although the Act provides a procedure to calculate “fair value,” it does not define the term “fair value.” As such, we have formed our opinion in reference to the standard definition, which is:

“the price that would be negotiated in an open and unrestricted market between a knowledgeable, willing but not anxious buyer and a knowledgeable, willing but not anxious seller acting at arm’s length.”

The Offer will give a fair value for the Remaining Shares if the cash consideration under the Offer is equal to or greater than the fair market value of a share in SMC.

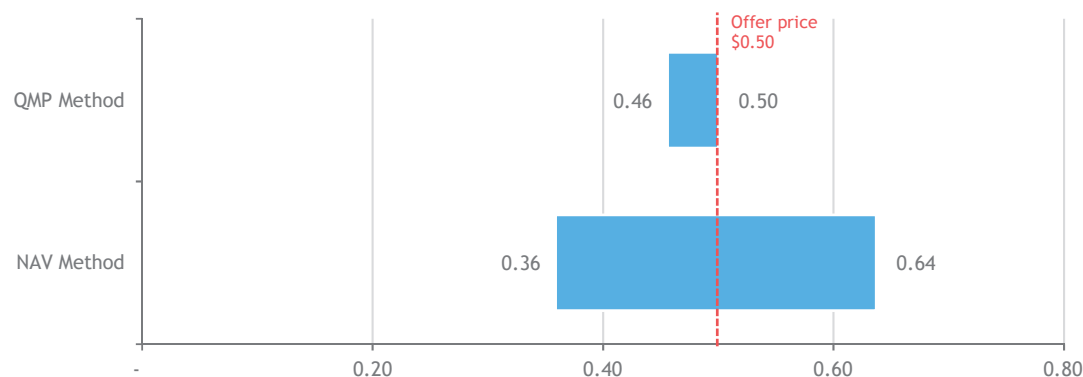
The result of our fairness analysis is summarised below.

Table 1: Fairness assessment

A\$	Ref	Low	Preferred	High
Value per share - NAV method	4.3.1	0.36	0.49	0.64
Value per share - QMP method	4.3.2	0.46	0.48	0.50
Offer price		0.50	0.50	0.50

Source: BDOCF Analysis

Figure 1: Comparison of fair value to offer price



Source: BDO analysis

By adopting the independent technical expert’s preferred value of the SMC’s Woolgar Project, the value of a SMC share is \$0.49. Our assessment of the QMP of SMC is between \$0.46 and \$0.50. Therefore we conclude that the Offer provides a fair value for the Remaining Shares.

Shareholders’ individual circumstances

Our analysis has been undertaken, and our conclusions are expressed at an aggregate level. Accordingly, BDOCF has not considered the effect of the Proposed Transaction on the particular circumstances of individual Remaining Shareholders. Some individual Remaining Shareholders may place a different emphasis on various aspects of the Proposed Transaction from those adopted in this IER. Accordingly, individual Remaining Shareholders may reach different conclusions as to whether or not the Proposed Transaction gives a fair value for the Remaining Shares in their individual circumstances.

The decision of an individual Remaining Shareholder in relation to the Proposed Transaction may be influenced by their particular circumstances and accordingly Remaining Shareholders are advised to seek their own independent advice.

The decision to object to the compulsory acquisition is a matter for individual Remaining Shareholders based on their expectations as to the expected value, future prospects and market conditions. Remaining Shareholders should carefully consider the Notice. Remaining Shareholders who are in doubt as to the action they should take in relation to the Proposed Transaction should consult their professional adviser.



Current Market Conditions

Our opinion is based on economic, market, and other conditions prevailing at the date of this IER. Such conditions can change significantly over relatively short periods of time.

Changes in those conditions may result in any valuation or other opinion becoming quickly outdated and in need of revision. We reserve the right to revise any valuation or other opinion, in light of material information existing at the date of this Report that subsequently becomes known to us.

Sources of Information

Appendix 2 to the IER sets out details of information referred to and relied upon by us during the course of preparing this IER and forming our opinion.

The statements and opinions contained in this IER are given in good faith and are based upon our consideration and assessment of information provided by QGold.

Under the terms of our engagement, QGold agreed to indemnify the partners, directors and staff (as appropriate) of BDO East Coast Partnership and BDOCF and their associated entities, against any claim, liability, loss or expense, costs or damage, arising out of reliance on any information or documentation provided by QGold which is false or misleading or omits any material particulars, or arising from failure to supply relevant information.

Limitations

This IER has been prepared at the request of the Directors for the sole benefit of the Remaining Shareholders. This IER is to accompany the Notice to be sent to the Remaining Shareholders.

Accordingly, this IER and the information contained herein may not be relied upon by anyone other than the Remaining Shareholders without our written consent. We accept no responsibility to any person other than the Remaining Shareholders in relation to this IER.

This IER should not be used for any other purpose and we do not accept any responsibility for its use outside this purpose. Except in accordance with the stated purpose, no extract, quote or copy of our IER, in whole or in part, should be reproduced without our written consent, as to the form and context in which it may appear.

We have consented to the inclusion of the IER within the Notice. Apart from this IER, we are not responsible for the contents of the Notice or any other document associated with the Proposed Transaction. We acknowledge that this IER may be lodged with regulatory authorities.

Summary

This summary should be read in conjunction with the attached IER that sets out in full, the purpose, scope, basis of evaluation, limitations, information relied upon, analysis and our findings.

Glossary

Capitalised terms used in this Report have the meanings set out in the glossary. A glossary of terms used throughout this IER is set out in Appendix 1.

Financial Services Guide

BDOCF holds an Australian Financial Services Licence which authorises us to provide reports for the purposes of acting for and on behalf of clients in relation to proposed or actual mergers, acquisitions, takeovers, corporate restructures or unit issues. A financial services guide is attached to this IER.

Yours faithfully

BDO CORPORATE FINANCE (EAST COAST) PTY LTD

David McCourt
Director

TABLE OF CONTENTS

1.	PURPOSE AND BACKGROUND.....	1
1.1.	Purpose of the Report	1
1.2.	Basis of Evaluation	1
2.	SCOPE AND LIMITATIONS	2
2.1.	Scope	2
2.2.	Basis of assessment	2
2.3.	Special value.....	2
2.4.	Reliance on information.....	2
2.5.	Limitations	3
2.6.	Assumptions.....	3
3.	PROFILE OF SMC	4
3.1.	Overview	4
3.2.	Woolgar	4
3.3.	Directors and management	4
3.4.	Historical financial information	5
3.5.	Historical statements of financial position	5
3.6.	Capital structure and transactions.....	6
3.7.	QGold's on-market takeover bid for SMC (June 2014)	7
3.8.	QGold's on-market takeover bid for SMC (December 2017)	7
3.9.	Entitlement offer (May 2020).....	7
3.10.	QGold's compulsory acquisition	7
4.	VALUATION METHODOLOGY	8
4.1.	Fairness assessment overview	8
4.2.	Valuation methods	8
4.3.	Selected valuation methods for SMC	8
4.4.	Rationale for methodologies adopted	9
4.5.	NAV	9
4.6.	QMP method	9
4.7.	Recent transactions.....	10
4.8.	Other valuation considerations.....	10
4.9.	Independent specialist valuation	10
5.	NET ASSET VALUATION OF SMC	11
6.	QUOTED MARKET PRICES FOR SMC SECURITIES	12
6.1.	Trading price	12
6.2.	VWAP	14
6.3.	Premium for control	15
6.4.	QMP value of SMC securities on a control basis	15
7.	RECENT TRANSACTIONS	16
7.1.	Entitlement offer announced 6 April 2020.....	16
8.	VALUATION SUMMARY AND CONCLUSION.....	16
8.1.	Fair market value of SMC's ordinary shares	16
9.	OVERALL OPINION	16
10.	QUALIFICATIONS, DECLARATIONS AND CONSENTS	17
10.1.	Qualifications.....	17
10.2.	Independence.....	17
10.3.	Disclaimer	17
	APPENDIX 1: GLOSSARY	18
	APPENDIX 2: SOURCES OF INFORMATION	19
	APPENDIX 3: VALUATION METHODS - BUSINESSES AND ASSETS	20
	APPENDIX 4: PREMIUM FOR CONTROL	22
	APPENDIX 5: INDEPENDENT TECHNICAL REPORT PREPARED BY MINING ONE.....	23

1. PURPOSE AND BACKGROUND

1.1. Purpose of the Report

Pursuant to Section 664A of the Act, once a shareholder holds more than 90% of a particular class of shares in a company (**90% holder**), they are able to compulsorily acquire the remaining shares in that class. Pursuant to Section 664C, the 90% holder must prepare a notice of compulsory acquisition to ASIC and the remaining minority shareholders. Pursuant to Section 667A, the notice must be accompanied by an expert's report that states whether or not, in the expert's opinion, the terms proposed in the notice give a fair value for the relevant shares.

We were nominated by ASIC and have been engaged by the Directors of QGold to prepare an IER to state whether or not, in our opinion, the terms of the compulsory acquisition, as outlined in the Notice, give a fair value for the Remaining Shareholders. A copy of the IER is to be included in the Notice.

1.2. Basis of Evaluation

Pursuant to Section 667C of the Act, the IER must state whether or not, in our opinion, the terms of the compulsory acquisition, as outlined in the Notice, give a fair value for the Remaining Shareholders and outline the reasons for our opinion.

Section 667C states that to determine what is "fair value:"

- First, assess the value of the company as a whole; and
- Then allocate that value among the classes of issued securities in the company (taking into account the relative financial risk, and voting and distribution rights, of the classes); and
- Then allocate the value of each class pro rata among the securities in that class (without allowing a premium or applying a discount for particular securities in that class).

Additionally, Section 667C of the Act states that,

- "without limiting subsection (1), in determining what is fair value for securities for the purposes of this Chapter, the consideration (if any) paid for securities in that class within the previous 6 months must be taken into account."

The Act does not define the term "fair value." As such, we have formed our opinion in reference to the standard definition, which is:

- "the price that would be negotiated in an open and unrestricted market between a knowledgeable, willing but not anxious buyer and a knowledgeable, willing but not anxious seller acting at arm's length"

In determining whether the Offer gives a fair value for the Remaining Shares, we have also had regard to Australian Securities and Investments Commission (ASIC) Regulatory Guide 111 Content of expert reports (RG 111) and Regulatory Guide 112 'Independence of experts' (RG 112):

In particular, RG 111 establishes guidelines in respect of independent expert reports under the Act.

RG 111.11 indicates that an offer is 'fair' if the value of the offer price or consideration is equal to or greater than the value of the securities the subject of the offer. The value of the securities the subject of the offer is determined assuming:

- A knowledgeable and willing, but not anxious, buyer and a knowledgeable and willing, but not anxious, seller acting at arm's length.
- 100% ownership of the target company, irrespective of the percentage holding of the bidder or its associates in the target company.

2. SCOPE AND LIMITATIONS

2.1. Scope

The scope of the procedures we undertook in forming our opinion on whether the Offer gives a fair value for the Remaining Shares has been limited to those procedures we believe are required in order to form our opinion. Our procedures did not include verification work nor constitute an audit or assurance engagement in accordance with Australian Auditing and Assurance Standards.

Our assessment involved determining the fair market value of various securities, assets and liabilities. For the purposes of our opinion, the term fair market value is defined as the price that would be negotiated in an open and unrestricted market between a knowledgeable, willing, but not anxious purchaser and a knowledgeable, willing, but not anxious vendor, acting at arm's length.

2.2. Basis of assessment

The Offer gives a fair value to the Remaining Shareholders if the consideration offered by QGold is equal to or greater than the fair market value of a share in SMC. We have calculated the fair value of the Remaining Shares in accordance with Section 667C of the Act.

General requirements in relation to the IER

In preparing the IER, ASIC requires the independent expert when deciding on the form of analysis for a report, to bear in mind that the main purpose of the report is to adequately deal with the concerns that could reasonably be anticipated of those persons affected by the Proposed Transaction. In preparing the IER we considered the necessary legal requirements and guidance of the Act, ASIC regulatory guides and commercial practice.

The IER also includes the following information and disclosures:

- Particulars of any relationship, pecuniary or otherwise, whether existing presently or at any time within the last two years, between BDO East Coast Partnership or BDOCF and any of the parties to the Proposed Transaction.
- The nature of any fee or pecuniary interest or benefit, whether direct or indirect, that we have received or will or may receive for or in connection with the preparation of the IER.
- We have been appointed as independent expert for the purposes of providing an IER for the Notice.
- That we have relied on information provided by the management of SMC and QGold (**Management**) and that we have not carried out any form of audit or independent verification of the information provided.
- That we have received representations from Management in relation to the completeness and accuracy of the information provided to us for the purpose of our IER.

2.3. Special value

We have not considered special value in forming our opinion. Special value is the amount that a potential acquirer may be prepared to pay for a business in excess of the fair market value. This premium represents the value to the particular potential acquirer of potential economies of scale, reduction in competition, other synergies and cost savings arising from the acquisition under consideration not available to likely purchasers generally. Special value is not normally considered in the assessment of fair market value as it relates to the individual circumstances of special purchasers.

2.4. Reliance on information

This IER is based upon financial and other information provided by the Management of SMC and QGold. We have considered and relied upon this information. Unless there are indications to the contrary, we have assumed that the information provided was reliable, complete and not misleading, and material facts were not withheld. The information provided was evaluated through analysis, inquiry and review for the purpose of forming an opinion as to whether the Offer gives a fair value for the Remaining Shares.

We do not warrant that our inquiries have identified or verified all of the matters which an audit, extensive examination or due diligence investigation might disclose. In any event, an opinion as to whether an offer gives a fair value to the Remaining Shareholders is in the nature of an overall opinion rather than an audit or detailed investigation.

It is understood that the accounting information provided to us was prepared in accordance with generally accepted accounting principles.

Where we relied on the views and judgement of management the information was evaluated through analysis, inquiry and review to the extent practical. However, such information is often not capable of direct external verification or validation.

Under the terms of our engagement, QGold has agreed to indemnify BDOCF and BDO East Coast Partnership, and their partners, directors, employees, officers and agents (as applicable) against any claim, liability, loss or expense, costs or damage, arising out of reliance on any information or documentation provided, which is false or misleading or omits any material particulars, or arising from failure to supply relevant documentation or information.

2.5. Limitations

We acknowledge that this IER may be lodged by QGold with regulatory and statutory bodies and will be included in the Notice to be sent to the Remaining Shareholders. The Board of QGold (**Board**) acknowledges that our IER has been prepared solely for the purposes noted in the Notice and accordingly we disclaim any responsibility from reliance on the IER in regard to its use for any other purpose. Except in accordance with the stated purposes, no extract, quote or copy of the IER, in whole or in part, should be reproduced without our prior written consent, as to the form and context in which it may appear.

It was not our role to undertake, and we have not undertaken any commercial, technical, financial, legal, taxation or other due diligence, other similar investigative activities in respect of SMC. We understand that the Board has been advised by legal, accounting, tax and other appropriate advisors in relation to such matters as necessary. We provide no warranty or guarantee as to the existence, extent, adequacy, effectiveness and/or completeness of any due diligence or other similar investigative activities by the Board or their advisors.

We note that the IER does not deal with the individual investment circumstances of Remaining Shareholders and no opinion has been provided in relation to same.

Apart from the IER, we are not responsible for the contents of the Notice or any other document. We have provided consent for inclusion of the IER in the Notice. Our consent and the Notice acknowledge that we have not been involved with the issue of the Notice and that we accept no responsibility for the Notice apart from the IER.

2.6. Assumptions

In forming our opinion, we have made certain assumptions and outline these in our IER including:

- Assumptions outlined in the valuation sections.
- That matters such as title to all relevant assets, compliance with laws and regulations and contracts in place are in good standing, and will remain so, and that there are no material legal proceedings, other than as publicly disclosed.
- Information sent out in relation to the Proposed Transaction to Remaining Shareholders or any regulatory or statutory body is complete, accurate and fairly presented in all material respects.
- Publicly available information relied on by us is accurate, complete and not misleading.
- If the Proposed Transaction is implemented, that they will be implemented in accordance with the stated terms.
- The legal mechanisms to implement the Proposed Transaction are correct and effective.

3. PROFILE OF SMC

3.1. Overview

SMC is an ASX-listed mineral exploration company focussed on the exploration and development of its 100% owned Woolgar Gold Project (Woolgar) located in central Northern Queensland, Australia. The Company has been publicly listed on the ASX since 1981.

SMC's core objective is to become a significant gold producer through mine development at Woolgar. The project, which includes all mining titles and exploration permits, is located 120 kilometres (km) north of Richmond in Queensland.

3.2. Woolgar

Woolgar incorporates six exploration permits for minerals covering an area of 493km², along with eight mining leases over resources and infrastructure. Deposits at the project include Big Vein South, Soap spar, Camp Vein & Grand Central, Explorer and Lost World.

Over the year ended 31 December 2019, SMC made substantial progress in advancing the Big Vein South deposit located within Woolgar towards prefeasibility assessment and undertaking necessary field studies to facilitate regulatory and statutory approvals.

Big Vein South

The Big Vein South prospect has been a major focus for the Company since a discovery of depth potential in 2014, with subsequent drilling programs resulting in resource increases.

Due to an application lodged against SMC by one of its minority shareholders to the Australian Takeovers Panel (**Panel**) in February 2018, there were significant interruptions to the 2018 field season. However, the Company was able to recommence exploration and resource advancement on the Big Vein South deposit at Woolgar during 2019. The 2019 drilling program concentrated on resource infill and exploration drilling, in and around the Big Vein South deposit. Other programs of work such as core drilling for geotechnical data were also conducted.

3.3. Directors and management

The current board of directors consists of four members, as set out below.

Table 3: Directors and key management personnel

Director/manager name	Capacity
Mr Laif McLoughlin	Executive Chairman
Mr Darren Fooks	Non-executive Director
Mr Jay Stephenson	Non-executive Director
Mr Christopher Dunks	Non-executive Director

3.4. Historical financial information

Historical financial performance

We have presented the audited historical income statements of SMC for the years ended 31 December 2017 (FY17), 31 December 2018 (FY18) 31 December 2019 (FY19) and management accounts for the 6 months ended 30 June 2020.

Table 4: Statements of financial performance of SMC

\$'000	Audited for the year ended 31-Dec-17	Audited for the year ended 31-Dec-18	Audited for the year ended 31-Dec-19	Mgmt accounts for the 6 months ended 30-Jun-20
Revenue and other income	2	9	11	1
Administration expense	(188)	(234)	(236)	(45)
Consulting and legal	(88)	(213)	(91)	(158)
Depreciation and amortisation	(4)	(5)	(5)	(2)
Employee benefit expense	(281)	(324)	(393)	(384)
Finance costs	-	(4)	(3)	(24)
Impairment loss on financial assets	6	(11)	(2)	-
Premises expense	(59)	(53)	(58)	(24)
Travel expense	(8)	(16)	(7)	(10)
Loss before income tax	(621)	(851)	(784)	(645)
Income tax expense/(benefit)	-	-	-	-
Loss for the year	(621)	(851)	(784)	(645)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive loss for the year	(621)	(851)	(784)	(645)

Source: SMC's audited financial statements for the years ended 31 December 2017, 31 December 2018, 31 December 2019, and management accounts for the 6 month period ended 30 June 2020

3.5. Historical statements of financial position

The historical statements of financial position of SMC at 31 December 2017, 31 December 2018, 31 December 2019 and management accounts as at 31 December 2019 are set out in the table below.

Table 5: Statements of financial position

\$'000	Audited as at 31-Dec-17	Audited as at 31-Dec-18	Audited as at 31-Dec-19	Mgmt accounts 30-Jun-20
Current assets				
Cash and cash equivalents	406	861	937	3,693
Trade and other receivables	115	63	94	40
Other current assets	23	44	64	9
Total current assets	544	967	1,095	3,743
Non-current assets				
Financial assets	81	71	68	46
Plant and equipment	19	14	13	11
Mineral exploration and evaluation assets	24,666	25,790	27,549	27,933
Other non-current assets	17	3	3	-
Total non-current assets	24,783	25,878	27,633	27,990
Total assets	25,327	26,846	28,728	31,733
Current liabilities				
Trade and other payables	641	174	228	91
Provisions	43	50	61	88
Borrowings	10	34	-	0
Total current liabilities	693	259	289	179

\$'000	Audited as at 31-Dec-17	Audited as at 31-Dec-18	Audited as at 31-Dec-19	Mgmt accounts 30-Jun-20
Non-current liabilities				
Provisions	7	21	36	-
Total non-current liabilities	7	21	36	-
Total liabilities	700	279	325	179
Net assets	24,627	26,567	28,403	31,554
Equity				
Contributed equity	52,236	55,027	57,637	57,637
Reserves	-	-	11	15
Accumulated losses	(27,603)	(28,454)	(29,238)	(26,098)
Non-controlling interest	(6)	(6)	(6)	-
Total equity	24,627	26,567	28,403	31,554

Source: SMC audited financial statements as at 31 December 2017, 31 December 2018 and 31 December 2019

We note the following regarding SMC's financial position:

1. We note that for the year ended 31 December 2019, SMC's auditor issued an emphasis of matter paragraph in the audit report. The auditor outlined the existence of a material uncertainty that may cast significant doubt about SMC's ability to continue as a going concern due to the Company incurring a net loss of c.\$784k and a net cash outflow from operating and investing activities of c.\$2.5m during FY19. As noted in its annual report, SMC's capital management strategy is to ensure appropriate liquidity is maintained to meet anticipated operating requirements, with a view to initiating capital raisings as required.
2. During FY19, the Company received \$2.6m in proceeds from the Entitlement Offer on a 1 for 9 ratio issuing 8.7m shares. The proceeds were used primarily for exploration of the Big Vein South deposit.
3. On 7 May 2020, SMC raised \$3.8m in additional funds via an entitlement offer which is shown in the 30 June 2020 cash balance of \$3.7 million (net of transaction costs). The majority of the funds raised was allocated to exploration and administrative/working capital uses. We understand the resultant increase in equity due to the entitlement offer has been accounted for under accumulated losses.

3.6. Capital structure and transactions

Table 6: Capital structure (Top ten shareholders)

Shareholder	Shares Owned	Percentage Ownership
QGold Pty Ltd	87,566,709	90.73%
HSBC Custody Nominees	2,585,152	2.68%
JP Morgan Nominees Australia	722,264	0.75%
McNeil Nominees Pty Limited	506,707	0.53%
Terrafund Pty Ltd	498,068	0.52%
Energy World International	438,890	0.45%
Citicorp Nominees Pty Limited	425,511	0.44%
Yandal Investments Pty Ltd	418,979	0.43%
Mr. Laif Allen McLoughlin	290,564	0.30%
Ms. Veronica Patricia Mary Oma	279,862	0.29%
Subtotal	93,732,706	97.12%
Other	2,777,090	2.88%
Total	96,509,796	100.0%

Source: SMC share registry as at 30 June 2020

As at the Valuation Date there exist 300,000 options owned by directors of the Company. The details of the outstanding options are set out below.

Table 7: Options Detail

Security	Expiration Date	Total Outstanding	Exercise Price
Director Options	28-May-2022	300,000	\$0.66

Source: SMC FY19 Annual Report

A summary of SMC's capital transactions are set out below.

3.7. QGold's on-market takeover bid for SMC (June 2014)

On 18 June 2014, SMC announced that it had received an on-market takeover bid from QGold at an offer price of \$0.035 per share. At the time of the takeover offer, QGold owned SMC shares that represented approximately 51.75% of all SMC shares on issue.

The on-market takeover offer closed on 22 August 2014. On 25 August 2014, QGold lodged a change in substantial shareholder notice advising that it held an interest in 548,835,761 shares in SMC representing a voting power of 66.51%.

3.8. QGold's on-market takeover bid for SMC (December 2017)

On 4 December 2017, QGold announced an on-market takeover bid to acquire all of the shares in SMC as set out in its bidder's statement dated 4 December 2017 and lodged with ASIC. SMC issued its target's statement on 18 December 2017 in response to the takeover bid.

On 1 February 2018, the Panel made a declaration of unacceptable circumstances, after an application by a minority shareholder of SMC, in relation to the affairs of SMC.

On 15 February 2018, the Panel made final orders in relation to its declaration of unacceptable circumstances. The final orders required, amongst other things:

- The issue and dispatch of a supplementary bidder's statement by QGold, which was subsequently lodged with ASIC on 22 March 2018;
- The issue and dispatch of a supplementary target's statement by SMC (including a revised independent expert's report and a revised technical expert's report), which was subsequently lodged with ASIC on 31 May 2018; and
- QGold to provide eligible participants (being people who sold SMC shares between the date the takeover bid was announced to ASX and the date of the issue of the supplementary target's statement to the market) with the ability to purchase from QGold (at a price of \$0.40 per share) the number of shares they sold. A prospectus dated 6 June 2018 gave effect to this order.

The takeover bid closed on 26 June 2018 following which QGold held voting power in SMC of 86.72%.

3.9. Entitlement offer (May 2020)

On 6 April 2020, SMC announced a renounceable entitlement offer of two shares for every fifteen shares held by existing shareholders as at 9 April 2020 at an issue price of \$0.36 to raise up to c.\$4.1m.

On 7 May 2020, SMC completed the entitlement offer. Under the offer, QGold exercised its full entitlement and was allotted an additional 10,267,393 ordinary shares, increasing its voting power to 90.73%.

3.10. QGold's compulsory acquisition

On 5 June 2020, SMC announced to the market that it had received notification from QGold that it proposed to exercise its rights to enact the compulsory acquisition process in respect of the outstanding ordinary shares in SMC which it does not already own. If the Proposed Transaction is implemented, QGold will hold 100% of SMC.

4. VALUATION METHODOLOGY

4.1. Fairness assessment overview

In undertaking our fairness opinion, we have had regard to Section 667C of the Act, which stipulates that the IER must state whether or not, in our opinion, the Offer, as outlined in the Notice, gives a fair value for the Remaining Shares and outline the reasons for our opinion.

Section 667C states that to determine what “fair value” is:

- First, assess the value of the company as a whole;
- Then allocate that value among the classes of issued securities in the company (taking into account the relative financial risk, and voting and distribution rights, of the classes); and
- Then allocate the value of each class pro rata among the securities in that class (without allowing a premium or applying a discount for particular securities in that class).

Additionally, Section 667C of the Act states that,

“without limiting subsection (1), in determining what is fair value for securities for the purposes of this Chapter, the consideration (if any) paid for securities in that class within the previous 6 months must be taken into account.”

Although the Act provides a procedure to calculate “fair value,” it does not define the term “fair value.” As such, we have formed our opinion in reference to the standard definition, which is:

“the price that would be negotiated in an open and unrestricted market between a knowledgeable, willing but not anxious buyer and a knowledgeable, willing but not anxious seller acting at arm’s length.”

The Offer will give a fair value for the Remaining Shares if the cash consideration under the Offer is equal to or greater than the fair market value of a share in SMC.

The valuation methods for the above analyses are considered below.

4.2. Valuation methods

Details of common methodologies for valuing businesses and assets are included at Appendix 3.

The principal methodologies which can be used are as follows:

- Discounted cash flow (DCF)
- Capitalisation of future maintainable earnings (FME)
- Net asset value (NAV)
- Quoted market price basis (QMP).

Set out below is a discussion around the valuation method we consider appropriate for the purposes of undertaking our valuation assessment of SMC.

4.3. Selected valuation methods for SMC

In accordance with RG 111.15, we have considered the fair market value of SMC on the basis of a knowledgeable and willing, but not anxious, seller that is able to consider alternative options to the bid. As Section 667C of the Act states that the company being compulsorily acquired must be assessed as a whole, we have valued SMC on a control basis.

In our assessment of the value of SMC, we have chosen to employ the following methodologies:

- the NAV method, which estimates the market value of a company by separately valuing each asset and liability of the company. The value of each asset may be determined using different methods and the component parts are then aggregated using the NAV methodology; and
- QMP as this represents the value that a shareholder could receive for a share if sold on the market.

4.4. Rationale for methodologies adopted

We have chosen the NAV and QMP methodologies for the following reasons:

- SMC is an exploration and development company, with its core value being in the exploration asset that it holds. We have commissioned an independent valuation of SMC's exploration assets from Mining One Pty Ltd (**Mining One**) and have considered this in the context of SMC's other assets and liabilities on a NAV basis;
- we consider the QMP methodology to be relevant because SMC's shares are listed on the ASX. This means that there is a regulated and observable market where SMC's shares can be traded. However, in order for the QMP methodology to be considered appropriate for the purposes of a valuation, the Company's shares should be liquid and the market should be fully informed on the Company's activities;
- pursuant to RG111, we do not consider that we would have reasonable grounds to rely on forecast cash flows for SMC and therefore we do not consider the application of the DCF methodology to be appropriate; and
- the FME methodology is most commonly applicable to profitable businesses with steady growth histories and forecasts. We do not consider the FME methodology to be appropriate given that SMC does not have a track record of profits. As such, we do not have a reasonable basis to assess future maintainable earnings of the Company. The FME methodology is also not considered appropriate for valuing finite life assets such as mining assets.

4.5. NAV

We have employed the NAV methodology in assessing the fair market value of SMC by aggregating the assessed realisable value of its identifiable assets and liabilities by having consideration for the value of:

- SMC's 100% interest in Woolgar (having reliance on the valuation carried out by an independent technical expert); and
- the other assets and liabilities of SMC. We have considered all other assets and liabilities and whether their market value would differ materially to cost (e.g. financial assets). We consider these variances to be immaterial.

4.6. QMP method

We have considered the QMP valuation method to be appropriate given that SMC's shares are listed on the ASX, which provides a regulated and observable market in which the shares are traded.

In assessing SMC's share price performance, we have had particular regard to the following:

- The level of trading activity of SMC securities; and
- Recent key developments, market announcements, and the timing and level of dissemination of information to the market.

We have reviewed the following factors relating to the trading activity of SMC shares:

- Low and high share price movements;
- Daily volume traded;
- Volume weighted average price (VWAP); and
- Total securities traded.

However, in order for the QMP methodology to be considered appropriate, SMC's shares should be liquid and the market should be fully informed on its activities.

After analysis of the ASX quoted market price we derived a fair market value range, which reflects a minority interest price for a SMC share. We then applied a control premium to determine a controlling interest value. A detailed presentation of the daily movement in the Company's share price and volume prior to the offer is outlined in Section 5.

4.7. Recent transactions

We have considered the renounceable entitlement offer of two shares for every fifteen shares held by existing shareholders as at 9 April 2020 at an issue price of \$0.36, as announced by SMC on 6 April 2020.

Entitlement offers are typically priced at a discount to fair value, and as such, we do not deem it to be a reasonable indicator of a controlling value for the Company.

4.8. Other valuation considerations

Future events

The business of SMC to be considered in this valuation is that which exists at the current date.

Growth potentials, which may result from new activities, business initiatives, acquisitions and the like (which are not capable of estimation), is not within the scope of this valuation.

Control premium

Section 667C of the Act states that the first step in determining “fair value” is to “*assess the value of the company as a whole.*”

In our application of the QMP methodology, we have applied a control premium in our calculation of the comparable companies’ implied trading multiples in order to calculate the value of 100% of SMC, as opposed to a minority interest. Refer to Appendix 4 for greater detail regarding the applied control premium. We note the NAV methodology is already presented on a controlling interest basis.

Valuation in accordance with APES 225

This engagement has been conducted in accordance with professional standard APES 225 Valuation Services, as issued by the Australian Professional and Ethical Standards Board.

4.9. Independent specialist valuation

In valuing SMC, we have relied on the Independent Valuation Report prepared by Mining One Pty Ltd (**Mining One**) in accordance with the Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets (2015 Edition) (**Valmin Code**) and the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (2012 Edition) (**JORC Code**) (**Independent Technical Report**).

We are satisfied with the valuation methodologies adopted by Mining One which we consider to be in accordance with industry practices and compliant with the requirements of the Valmin Code and the JORC Code. The specific valuation methodologies adopted by Mining One are referred to in the respective sections of our report and in further detail in the Independent Technical Report contained in Appendix 5.

5. NET ASSET VALUATION OF SMC

The value of SMC's assets on a going concern basis are summarised in the table below:

Table 8: Net Asset Valuation of SMC

\$'000	Note	Mgmt accts 30-Jun-20	Low value	Preferred value	High value
Current assets					
Cash and cash equivalents		3,693	3,693	3,693	3,693
Trade and other receivables		40	40	40	40
Other current assets		9	9	9	9
Total current assets		3,743	3,743	3,743	3,743
Non-current assets					
Financial assets		46	46	46	46
Plant and equipment		11	11	11	11
Mineral exploration and evaluation assets	1	27,933	31,010	43,730	57,860
Total non-current assets		27,990	31,067	43,787	57,917
Total assets		31,733	34,810	47,530	61,660
Current liabilities					
Trade and other payables		91	91	91	91
Provisions		88	88	88	88
Total current liabilities		179	179	179	179
Total liabilities		179	179	179	179
Net asset value		31,554	34,630	47,350	61,480
Number of shares on issue at 30 June 2020 (#'000)	2		96,510	96,510	96,510
Value per share (\$)	3		0.36	0.49	0.64

Source: Management Information, Mining One Independent Technical Report, Capital IQ

The following adjustments were made to the net assets of SMC as at 30 June 2020 in arriving at our valuation.

1. Mineral exploration and evaluation assets

We instructed Mining One to provide an independent market valuation of the mineral assets held by SMC. Mining One considered a number of different valuation methods when valuing the exploration assets of SMC. Ultimately, Mining One relied on the Multiples of Exploration Expenditure and Comparable Transactions methods. We consider these methods to be appropriate given the stage of development of SMC's exploration assets. Further information on the methodologies and assumptions used by Mining One can be found in their report, contained in Appendix 5.

The range of values for SMC's exploration assets as assessed by SMC are set out below:

Table 9: Valuation of Woolgar Project

Valuation of SMC's Woolgar project (\$m)	Low	Preferred	High
Multiples of exploration expenditure	30,240	41,580	52,920
Comparable Transactions (Per resource ounce)	16,800	27,950	39,140
Comparable Transactions (Per license km ²)	45,980	61,660	81,510
Valuation of mineral assets	31,010	43,730	57,860

Source: Mining One Independent Technical Report

The table above indicates the value of SMC's mineral assets, as assessed by Mining One, is between \$31.01m and \$57.86m, with a preferred value of \$43.73m.

2. Shares outstanding

As at 30 June 2020, SMC had 96.5m shares on issue.

We have also considered whether the 300,000 options on issue would be exercisable based on the above implied equity values. Given the exercise price of \$0.66 is outside the NAV range of \$0.36 to \$0.64, we have concluded that these options have an immaterial impact of the value of an SMC share.

3. Value per share

Based on the above, the net asset value of SMC is between \$34.6m and \$61.5m, with a preferred value of \$47.4m. This results in a value per share of \$0.36 to \$0.64, with a preferred value of \$0.49.

6. QUOTED MARKET PRICES FOR SMC SECURITIES

To provide a comparison to the NAV of SMC shares in Section 5, we have also assessed the quoted market price for a SMC share.

The quoted market value of a company's shares is reflective of a minority interest. A minority interest is an interest in a company that is not significant enough for the holder to have an individual influence in the operations and value of the company.

RG 111.69 states that for the quoted market price methodology to be an appropriate methodology, there needs to be a 'liquid and active' market in the shares and allowing for the fact that the quoted price may not reflect their value should 100% of the securities not be available for sale. We consider the following characteristics to be representative of a liquid and active market:

- regular trading in a company's securities;
- approximately 1% of a company's securities are traded on a weekly basis;
- the spread of a company's shares must not be so great that a single minority trade can significantly affect the market capitalisation of a company; and
- there are no significant and unexplained movements in share price.

A company's shares should meet all of the above criteria to be considered 'liquid and active'. However, failure of a company's securities to exhibit all of the above characteristics does not necessarily mean that the value of its shares cannot be considered relevant.

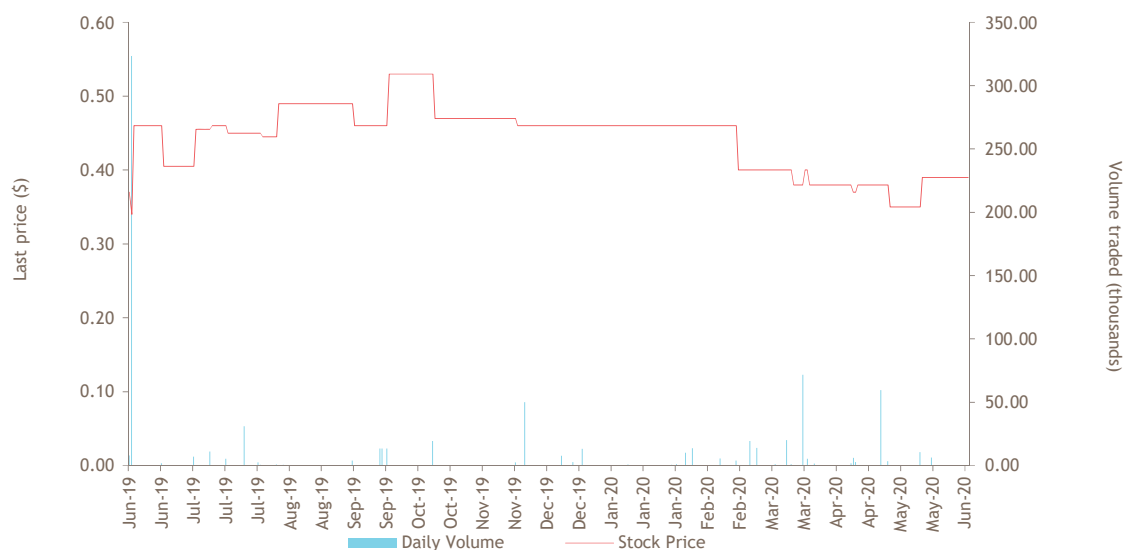
The Company's share price quoted on the ASX represents a minority level of value. Accordingly, we have also applied a control premium in our analysis to determine a fair market value of the Company on a controlling interest basis.

6.1. Trading price

Our analysis of the quoted market price of a SMC share is based on pricing prior to the announcement of the Proposed Transaction. This is because the value of a SMC share after the announcement may include the effects of any change in value as a result of the Proposed Transaction.

Information on the Proposed Transaction was announced to the market on 5 June 2020. Therefore, the following chart provides a summary of SMC's share price movement over the 12 months to 4 June 2020, which was the last trading day prior to the announcement. Set out below is the trading history of the Company over the 12 months to 4 June 2020.

Figure 2: Monthly closing share price and trading volume (From 5 June 2019 to 4 June 2020)



As indicated above, the Company's closing share price has traded between a low of \$0.34 per share (6 June 2019) and a high of \$0.53 per share (26 September 2019) over the period. The date with the greatest level of trading over the assessed period was on 7 June 2019, where 323,359 shares were traded. No announcement was made on this date.

Set out below is a summary of the Company's price-sensitive announcements in the twelve months prior to 4 June 2020.

Table 10: Price sensitive announcements (From 5 June 2019 to 4 June 2020)

Date	Announcement	Sale price before announcement (\$)	Sale price following announcement (\$)	% Change
7/05/2020	Entitlement Offer Closure and Notice of Shortfall	0.35	0.39	11.4%
30/04/2020	Quarterly Activity and Cashflow Reports	0.38	0.35	(7.9%)
30/04/2020	Quarterly Cashflow Report - Amended	0.38	0.35	(7.9%)
27/04/2020	TOV: SMC 06 - Panel Decides to Conduct Proceedings	0.38	0.38	0.0%
21/04/2020	TOV: SMC 06 - President Makes Interim Orders	0.38	0.38	0.0%
21/04/2020	Suspension of Class SMCNF from Official Quotation	0.38	0.38	0.0%
21/04/2020	Takeover Panel Announcement and Entitlement Issue Update	0.38	0.38	0.0%
20/04/2020	TOV: Strategic Minerals Corporation NL 06 Panel Receives	0.38	0.38	0.0%
6/04/2020	Renounceable Entitlement Issue Prospectus	0.38	0.37	(2.6%)
10/03/2020	Resource Update for Big Vein South	0.40	0.40	0.0%
2/03/2020	Metallurgical Testwork Report Received - Amended	0.40	0.40	0.0%
18/02/2020	Final Results of 2019 Drill Program at Big Vein South	0.46	0.40	(13.0%)
14/02/2020	Response to ASX Appendix 5B Query Letter	0.46	0.46	0.0%
10/02/2020	Metallurgical Testwork Report Received	0.46	0.46	0.0%
29/01/2020	Quarterly Cashflow Report	0.46	0.46	0.0%
8/01/2020	Mining Lease Application Submitted - Woolgar	0.46	0.46	0.0%
13/12/2019	Initial Drill Results - Big Vein South	0.46	0.46	0.0%
30/10/2019	Quarterly Activity and Cash Flow Reports	0.47	0.46	(2.1%)
16/08/2019	Drilling Commences at Big Vein South - Woolgar	0.49	0.46	(6.1%)
31/07/2019	Quarterly Activity and Cashflow Reports	0.45	0.45	0.0%

Source: ASX website, Capital IQ and BDO analysis

6.2. VWAP

The table below summarises trading for the 12 month period leading up to last trading day before the announcement of the compulsory acquisition.

Table 11: VWAP prior to the Valuation Date (From 5 June 2019 to 4 June 2020)

Period	Low Price (\$)	High Price (\$)	VWAP (\$)	Cumulative Volume	Cumulative Value (\$)	As a % of Issued Capital	Free Float
1 day	0.39	0.39	0.39	6,150	2,399	0.01%	0.07%
1 week	0.39	0.39	0.39	6,150	2,399	0.00%	0.00%
1 month	0.39	0.39	0.39	16,730	6,525	0.02%	0.19%
3 months	0.35	0.40	0.39	204,400	79,788	0.24%	2.29%
6 months	0.35	0.46	0.40	282,640	114,387	0.33%	3.16%
12 months	0.34	0.53	0.43	789,150	340,619	0.91%	8.82%

Source: Capital IQ; BDOCF analysis

The above table indicates that SMC's shares display a low level of liquidity, with only 0.91% of the Company's current issued capital being traded on the ASX over a 12 month period. The shares are tightly held due to QGold holding approximately 90% of the issued capital over the 12 month period. We have also shown the percentage of shares traded on a 'free float' basis, excluding the shares held by QGold. This shows only 8.82% of the remaining shares traded on the ASX over the same 12 month period.

We note the following with respect to the VWAP over the period;

- The SMC share price reached a high of \$0.53 on 26 September 2019 and a low of \$0.34 on 6 June 2019;
- The VWAP over the 12 month period was \$0.43 with a cumulative trading volume of c.789k shares and cumulative value of c.\$341k; and
- Approximately 8.82% of the free float was traded over the 12 month period which represents all outstanding shares less QGold holdings.
- The total value of shares traded during the 12 months was circa \$340,000.

We conclude that SMC shares are thinly traded however, the trades do provide a guide as to the value of SMC.

To provide further insight into the recent trading activity of SMC, we have assessed individual trades and the price at which these shares were traded.

Table 12: Intraday Trading Information for the 6 months prior to 4 June 2020

Stock price (\$)	Shares traded	Value traded (\$)	Value traded as a % of total dollar value
0.350	3,334	1,167	1.0%
0.370	7,693	2,846	2.5%
0.375	414	155	0.1%
0.380	69,681	26,479	23.1%
0.390	16,725	6,523	5.7%
0.395	772	305	0.3%
0.400	128,879	51,552	45.1%
0.455	1,218	554	0.5%
0.460	53,920	24,803	21.7%
Totals	282,636	114,384	100.0%

Source: Bloomberg; BDOCF analysis

Note: There exists a slight variance between the volume traded over the six months prior to 4 June 2020 between Capital IQ and Bloomberg. This variance is immaterial.

The area outlined in red represents the share price which incurred the most trading volume over the six month period to 4 June 2020. As detailed above, c.129k shares were traded at \$0.40 representing 45.1% of the total value traded over the period. A summary of the individual trades making up the c.129k shares are summarised below.

Table 13: Intraday Trading Detail

Date	Stock price (\$)	Shares Traded	Value Traded (\$)
25-Mar-20	0.40	45,914	18,366
25-Mar-20	0.40	24,086	9,634
25-Mar-20	0.40	914	366
18-Mar-20	0.40	20,000	8,000
13-Mar-20	0.40	1,118	447
02-Mar-20	0.40	19,263	7,705
05-Mar-20	0.40	783	313
05-Mar-20	0.40	12,971	5,188
25-Feb-20	0.40	3,830	1,532
Totals		128,879	51,552

Source: Bloomberg; BDOCF analysis

The largest trade in terms of size and dollar value made over the six months is also set out below.

Table 14: Intraday Trading Detail

Date	Stock price (\$)	Shares Traded	Value Traded (\$)
28-Apr-20	0.38	59,070	22,447

Source: Bloomberg; BDOCF analysis

Based on the above information, we consider the value of a share in SMC to be between \$0.380 and \$0.400.

6.3. Premium for control

Given the price indicated on a public exchange is based on a minority ownership interest, we have applied a control premium in the application of the QMP methodology to derive a fair market value reflective of a controlling ownership interest.

We have applied a control premium of 20% to 25% in our analysis. Our applied control premium is lower than the sampled transactions as we note a portion of these premiums reflect synergistic value only available to a specific purchaser, as opposed to solely control value.

We have not considered special value in forming our opinion. Special value is the amount that a potential acquirer may be prepared to pay for a business in excess of the fair market value. This premium represents the value to the particular potential acquirer of potential economies of scale, reduction in competition, other synergies and cost savings arising from the acquisition under consideration not available to likely purchasers generally. Special value is not normally considered in the assessment of fair market value as it relates to the individual circumstances of special purchasers.

Refer to Appendix 4 for further discussion regarding our applied control premium.

6.4. QMP value of SMC securities on a control basis

Applying a control premium to SMC's quoted market share price of \$0.380 to \$0.400 yields a value per share of \$0.456 to \$0.500 on a controlling interest basis.

Table 15: Concluded share value - QMP Method

	Low	High
SMC share (minority basis)	0.380	0.400
Control premium	20%	25%
SMC share (controlling basis)	0.456	0.500

Source: BDOCF Analysis

7. RECENT TRANSACTIONS

7.1. Entitlement offer announced 6 April 2020

On 6 April 2020, SMC announced a renounceable entitlement offer of two shares for every fifteen shares held by existing shareholders as at 9 April 2020 at an issue price of \$0.36 to raise up to c.\$4.1m.

The issue price of \$0.36 represented a \$0.02 discount from the last sale price of \$0.38 on 2 April 2020. As the entitlement offer was at a discount to recent share trading, and was extended to all shareholders, it did not include a premium for control.

On 7 May 2020, SMC completed the entitlement offer. SMC raised \$3.8m of the \$4.1m offered to the shareholders of which the majority was allocated to exploration and administrative/working capital uses.

Under the offer, QGold exercised its full entitlement and was allotted an additional 10,267,393 ordinary shares, increasing its voting power to 90.73%. By passing the 90% ownership threshold, QGold was entitled to commence the compulsory acquisition of SMC at their discretion and subject to various regulatory procedures.

8. VALUATION SUMMARY AND CONCLUSION

8.1. Fair market value of SMC's ordinary shares

A summary of our valuation is set out below.

Table 16: Equity value of SMC and comparison to offer price

A\$	Ref	Low	Preferred	High
Value per share - NAV method	4.3.1	0.36	0.49	0.64
Value per share - QMP method	4.3.2	0.46	0.48	0.50
Offer price		0.50	0.50	0.50

Source: BDOCF Analysis

We have chosen to value SMC using the NAV and QMP methodologies.

The core value of SMC lies in the mineral assets it holds and we have commissioned Mining One, an independent technical specialist, to value these assets.

Under RG 111.69, the QMP methodology is considered appropriate when a liquid and active market exists for a company's securities. As detailed in Section 6, SMC shares are thinly traded with only 0.91% of SMC's total issued capital traded in the 12 months to 4 June 2020, and 8.82% on a free float basis. Hence, the QMP methodology only provides a guide as to the value of SMC.

In accordance with Section 667C of the Act and RG 111.46, we have also considered the price paid for SMC securities in the previous six months.

By adopting the independent technical expert's preferred value of the SMC's Woolgar Project, the value of a SMC share is \$0.49. Our assessment of the QMP of SMC is between \$0.46 and \$0.50. Therefore we conclude that the Offer provides a fair value for the Remaining Shares.

9. OVERALL OPINION

We conclude that the Offer as outlined in the Notice gives a fair value for the Remaining Shares.

10. QUALIFICATIONS, DECLARATIONS AND CONSENTS

10.1. Qualifications

BDOCF is the licensed corporate finance arm of BDO East Coast Partnership, Chartered Accountants and Business Advisers. BDOCF provides advice in relation to all aspects of valuations and has extensive experience in the valuation of corporate entities and provision of expert's reports.

Mr David McCourt, BBus, CA, is a director of BDOCF and a CA certified Business Valuations Specialist. Mr McCourt is also a partner of BDO East Coast Partnership. Mr McCourt has been responsible for the preparation of this IER.

Mr McCourt has over 19 years of experience in a number of specialist corporate advisory activities including company valuations, financial modelling, preparation and review of business feasibility studies, accounting, advising on mergers and acquisitions and advising on independent expert reports. Accordingly, Mr McCourt is considered to have the appropriate experience and professional qualifications to provide the advice offered.

10.2. Independence

BDOCF is not aware of any matter or circumstance that would preclude it from preparing this IER on the grounds of independence either under regulatory or professional requirements. In particular, we have had regard to the provisions of applicable pronouncements and other guidance statements relating to professional independence issued by Australian professional accounting bodies and ASIC.

BDOCF considers itself to be independent in terms of RG 112 independence of experts, issued by ASIC. Neither BDOCF, nor its owner practice, BDO East Coast Partnership, has acted in any capacity for SMC or QGold with regard to any matter in the past two years.

BDOCF was not involved in advising on, negotiating, setting, or otherwise acting in any capacity for SMC or QGold in relation to the Proposed Transaction. Further, BDOCF has not held and, at the date of this IER, does not hold any shareholding in, or other relationship with SMC or QGold that could be regarded as capable of affecting its ability to provide an unbiased opinion in relation to the Proposed Transaction.

BDOCF will receive a fee of up to \$16,000, plus Goods and Services Tax for the preparation of this IER. BDOCF will not receive any fee contingent upon the outcome of the Proposed Transaction, and accordingly, does not have any pecuniary or other interests that could reasonably be regarded as being capable of affecting its ability to give an unbiased opinion in relation to the Proposed Transaction.

A draft of this IER was provided to the Directors and their advisors for review of factual accuracy. Certain changes were made to the IER as a result of the circulation of the draft IER. However, no changes were made to the methodology, conclusions, or recommendations made to the Unitholders as a result of issuing the draft IERs.

10.3. Disclaimer

This IER has been prepared at the request of the Directors and was not prepared for any purpose other than that stated in this IER. This IER has been prepared for the sole benefit of the Directors and Unitholders. Accordingly, this IER and the information contained herein may not be relied upon by anyone other than the Directors and Unitholders without the written consent of BDOCF. BDOCF accepts no responsibility to any person other than the Directors and Unitholders in relation to this IER.

The statements and opinions contained in this IER are given in good faith and are based upon BDOCF's consideration and assessment of information provided by the Directors, executives and Management of all the entities.

APPENDIX 1: GLOSSARY

Term	Definition
90% holder	A shareholder which holds more than 90% of a particular class of shares in a company
ASIC	Australian Securities & Investments Commission
Act	Corporations Act 2001
APES 225	Accounting Professional & Ethical Standards Board Limited issued professional standard APES 225 on valuation services
BDOCF, we, our or us	BDO Corporate Finance (East Coast) Pty Ltd (ABN 70 050 038 170)
Board	Board of directors of QGold
DCF	Discounted cash flow method
Directors	Directors of QGold
SMC, the Company	Strategic Minerals Corporation N.L.
EBIT	Earnings Before Interest and Tax
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortisation
FME	Future maintainable earnings
FOS	Financial Ombudsman Service Limited
FYxx	Financial year ended/ending June 20xx
Ina	Information not available
Independent Technical Report	Independent Technical Report prepared by Mining One dated 3 August 2020
JORC Code	Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (2012 Edition)
Km	Kilometres
k	Thousands
Licence	Australian Financial Services Licence No: 247420
Management	Management of SMC and QGold
M/m	Millions
Mining One	Mining One Pty Ltd
NAV	Net asset value
Notice	Notice of compulsory acquisition
Offer Price	The offer price is \$0.50 per ordinary share
Proposed Transaction	Proposed acquisition of Remaining Shares not currently held by QGold for \$0.50 per share
QGold	QGold Pty Ltd
QMP	Quoted market price basis
Report or IER	Independent expert's report
Remaining Shares	Shares not held by QGold
Remaining Shareholders	Holders of SMC shares other than QGold
RG 111	ASIC Regulatory Guide 111 Content of expert reports
RG 112	ASIC Regulatory Guide 112 Independence of experts
SMC Shareholders	Existing shareholders of SMC
Woolgar	Woolgar Gold Project
Valmin Code	Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets (2015 Edition)
VWAP	Volume weighted average price

Source: BDOCF

APPENDIX 2: SOURCES OF INFORMATION

In preparing this IER, we had access to and relied upon the following principal sources of information:

- SMC statutory accounts for FY17, FY18, and FY19
- SMC Management accounts for the 6-month period ended 30 June 2020
- Publicly available ASX announcements
- Information supplied by Management
- Information sourced from Capital IQ
- Information sourced from Bloomberg
- Mining One Independent Technical Report dated 3 August 2020
- Other publicly available information

APPENDIX 3: VALUATION METHODS - BUSINESSES AND ASSETS

In conducting our assessment of the fair market value of SMC shares, the following commonly used business valuation methods have been considered:

Discounted Cash Flow Method

The discounted cash flow (DCF) method is based on the premise that the value of a business or any asset is represented by the present value of its future cash flows. It requires two essential elements:

- the forecast of future cash flows of the business asset for a number of years (usually five to 10 years); and
- the discount rate that reflects the riskiness of those cash flows used to discount the forecast cash flows back to net present value (NPV).

DCF is appropriate where:

- the businesses' earnings are capable of being forecast for a reasonable period (preferably 5 to 10 years) with reasonable accuracy;
- earnings or cash flows are expected to fluctuate significantly from year to year;
- the business or asset has a finite life;
- the business is in a 'start up' or in early stages of development;
- the business has irregular capital expenditure requirements;
- the business involves infrastructure projects with major capital expenditure requirements; or
- the business is currently making losses but is expected to recover.

Capitalisation of Earnings Method

This method involves the capitalisation of normalised earnings by an appropriate multiple. Normalised earnings are the assessed sustainable profits that can be derived by the vendor's business and excludes any one off profits or losses. An appropriate earnings multiple is assessed by reference to market evidence as to the earnings multiples of comparable companies.

This method is suitable for the valuation of businesses with indefinite trading lives and where earnings are relatively stable or a reliable trend in earnings is evident.

Net Asset Value

Asset based valuations involve the determination of the fair market value of a business based on the net realisable value of the assets used in the business.

Valuation of net realisable assets involves:

- separating the business or entity into components which can be readily sold, such as individual business units or collection of individual items of plant and equipment and other net assets; and
- ascribing a value to each based on the net amount that could be obtained for this asset if sold.

The net realisable value of the assets can be determined on the basis of:

- orderly realisation (NRV): this method estimates fair market value by determining the net assets of the underlying business including an allowance for the reasonable costs of carrying out the sale of assets, taxation charges and the time value of money assuming the business is wound up in an orderly manner. This is not a valuation on the basis of a forced sale where the assets might be sold at values materially different from their fair market value;
- liquidation: this is a valuation on the basis of a forced sale where the assets might be sold at values materially different from their fair market value; or
- going concern (NAV): the net assets on a going concern basis estimates the market value of the net assets but does not take into account any realisation costs. This method is often considered appropriate for the valuation of an investment or property holding entity. Adjustments may need to be made to the book value of assets and liabilities to reflect their going concern value.

The net realisable value of a trading entity's assets will generally provide the lowest possible value for the business. The difference between the value of the entity's identifiable net assets (including identifiable intangibles) and the value obtained by capitalising earnings is attributable to goodwill.

The net realisable value of assets is relevant where an entity is making sustained losses or profits but at a level less than the required rate of return, where it is close to liquidation, where it is a holding entity, or where all its assets are liquid. It is also relevant to businesses which are being segmented and divested and to value assets that are surplus to the core operating business. The net realisable assets methodology is also used as a check for the value derived using other methods.

These approaches ignore the possibility that the entity's value could exceed the realisable value of its assets.

Quoted Market Prices

The application of the price that an entity's units' trade on the ASX is an appropriate basis for valuation where:

- the units' trade in an efficient market place where 'willing' buyers and sellers readily trade the entity's units; and
- the market for the entity's units is active and liquid.

APPENDIX 4: PREMIUM FOR CONTROL

Section 667C of the Act states that the first step in determining “fair value” is to “*assess the value of the company as a whole.*”

Investment fundamentals dictate that the value of 100% of an entity is normally greater than the sum of values attributable to the individual securities of that entity based on transactions in minority holdings.

The difference between the value of 100% of an entity and the total value of minority interests is referred to as a premium for control taking into account control and synergistic benefits for the acquirer.

Control of an entity by a security holder gives that security holder rights to which security holders are not entitled, including control of the entity’s policies and strategies, and use of cash flows.

The level of premium for control paid in a takeover bid will vary across industries and is dependent upon the specifics of the entity being acquired. We have reviewed transactions of public companies in similar industries to SMC in order to observe the premium paid (over market capitalisation) to acquire a controlling interest in the target companies. We observed transactions in the Metals and Mining industry, as profiled by S&P Capital IQ, in the last 3 years. This data is outlined in the table below:

Table 17: Transaction premiums

Close Date	Target Name	Implied Equity Value (\$m)	% Acquired	1 Day Stock Premium %	1 Week Stock Premium %	1 Month Stock Premium %
23/04/2020	Otis Gold Corp.	36.76	100.00	47.20	53.33	41.54
17/04/2020	Advantage Lithium Corp.	77.36	65.26	25.61	25.61	25.61
18/02/2020	Horizon Gold Limited (ASX:HRN)	20.66	26.44	58.82	58.82	3.85
23/12/2019	Explor Resources Inc.	5.29	100.00	-	(16.67)	
16/12/2019	Aethon Minerals Corp.	9.69	100.00	67.76	87.50	127.68
13/12/2019	Egan Street Resources Limited	68.89	99.75	59.19	49.54	97.40
5/12/2019	Copper North Mining Corp. (TSXV:COL)	2.50	30.40	30.89	4.71	30.89
14/10/2019	Alliance Resources Limited (ASX:AGS)	21.43	36.35	27.27	33.33	57.30
11/09/2019	Toachi Mining Inc.	6.64	100.00	46.89	46.89	63.21
2/08/2019	Levon Resources Ltd.	15.81	100.00	40.56	15.00	5.42
24/07/2019	eCobalt Solutions Inc.	60.74	95.47	1.96	(2.35)	(3.70)
11/07/2019	Desert Lion Energy Inc.	18.27	100.00	33.54	33.54	33.54
14/06/2019	MacPhersons Resources Limited	27.93	100.00	(2.98)	(1.79)	(10.61)
3/05/2019	Mistango River Resources Inc. (CNSX:MIS)	0.68	31.12	68.78	(15.61)	(32.49)
28/03/2019	IDM Mining Ltd.	46.95	100.00	42.88	42.88	71.45
22/02/2019	Explaurum Limited	64.39	100.00	80.74	71.47	55.52
4/01/2019	Dampier Gold Limited (ASX:DAU)	7.81	23.42	57.14	57.14	57.14
9/11/2018	Aldridge Minerals Inc.	14.93	44.34	(16.67)	(20.00)	(33.33)
24/09/2018	Metanor Resources Inc.	75.84	100.00	30.32	35.14	37.69
31/08/2018	Redhawk Resources, Inc.	5.51	100.00	98.75	59.00	32.50
31/07/2018	ValGold Resources Ltd.	7.90	100.00	70.87	60.82	70.87
		First Quartile	27.27	3.85	4.71	
		Median	42.88	33.54	35.14	
		Average	41.41	34.83	32.30	
		Third Quartile	59.19	57.30	57.14	
		Average (exluding outliers)	41.41	34.83	32.30	

Source: CapitalIQ

We note that transaction premiums in the industries listed above have averaged between 41.4% and 32.3%, excluding outliers. However, we note a portion of these premiums reflect synergistic value only available to a specific purchaser, as opposed to solely a premium for control. Additionally, as SMC is not revenue generating and the value of the Company is primarily attributable to the deposit assets which it owns, an investor would not see significant additional value in controlling the asset. As such, we have considered a control premium of 20% to 25% in our analysis.



APPENDIX 5: INDEPENDENT TECHNICAL REPORT PREPARED BY MINING ONE



MARKET VALUATION OF THE MINERAL ASSETS

of

STRATEGIC MINERALS CORPORATION N.L



Quality
ISO 9001



Job No.
Doc No.
Date:
Prepared by:

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FINAL REPORT

TABLE OF CONTENTS

EXECUTIVE SUMMARY.....	iv
1 INTRODUCTION.....	4
1.1 Commission and Scope.....	4
1.2 Applicability of the VALMIN Code.....	4
1.2.1 Background.....	4
1.2.2 Classification of Mineral Assets.....	4
1.2.3 Relevant Extracts.....	5
1.3 Independence, Qualifications, Experience and Declarations.....	6
1.3.1 Declarations.....	6
1.4 Disclaimer.....	6
2 TECHNICAL ASSESSMENT REPORT – STRATEGIC MINERALS.....	7
2.1 Project Location and Access.....	7
2.2 Project Ownership and Tenement Holdings.....	8
2.3 The Woolgar Gold Project - Technical Assessment Summary.....	11
2.3.1 Overview.....	11
2.3.2 Historical Mining and Exploration.....	11
2.3.3 Geological Setting.....	11
2.3.4 Mineralisation.....	11
2.3.5 Woolgar JORC Global Mineral Resources.....	12
2.3.6 Big Vein South Mineral Resource Estimation Process.....	13
2.3.7 Big Vein South Mineral Resource Upside.....	15
2.3.7.1 Big Vein South Mineral Resource – Risks and Opportunities.....	16
2.3.8 Soapyspar Mineral Resource Estimation Process.....	17
2.3.9 Soapyspar Mineral Resource Upside.....	19
2.3.9.1 Soapyspar Mineral Resource – Risks and Opportunities.....	19
2.3.10 Camp Vein and Grand Central Mineral Resource.....	20
2.3.11 Explorer Mineral Resource Estimation Process.....	23
2.3.12 Explorer Mineral Resource Upside.....	25
2.3.12.1 Explorer Mineral Resource – Risks and Opportunities.....	25
2.3.13 Lost World Mineral Resource Estimation Process.....	26
2.3.14 Lost World Mineral Resource Upside.....	28
2.3.14.1 Lost World Mineral Resource – Risks and Opportunities.....	28
3 STRATEGIC MINERALS CORPORATION MARKET VALUATION.....	29
3.1 Market valuation Methodology.....	29
3.2 Strategic Minerals Corporation - Valuation Basis.....	30
3.2.1 JORC Resources and Project License Area.....	30
3.3 Gold Price and Exchange Rates.....	31
3.4 Attributable Exploration Expenditure Valuation Method.....	31
3.5 Comparable Transaction Valuations.....	33
3.5.1 Ravenswood Gold Project– EMR Capital Acquisition.....	33
3.5.2 Hodgkinson Basin Gold Project – Bulletin Resources.....	33
3.5.3 Crush Creek Project – Evolution Mining Acquires a 70% Interest.....	34
3.5.4 Gilded Rose Gold Project– JIN Resources (HK) Acquisition.....	35
3.5.5 Golden Ant Project – Greenpower Energy Acquisition.....	36
3.5.6 Barkly and Babbler Project– Blina Minerals.....	36
3.6 Comparable Transaction Summary.....	37

3.7	Market valuation Summary	40
4	REFERENCES	41

TABLE INDEX

Table 2-1:	Strategic Minerals – EPM Tenement Schedule	9
Table 2-2:	Strategic Minerals – Mining Lease Tenement Schedule	10
Table 2-3:	Strategic Minerals – Mineral Resources (as at 27/07/2020)	12
Table 2-4:	Strategic Minerals – Big Vein Mineral Resource (as at 27/07/2020)	15
Table 2-5:	Big Vein South Resource – Risks and Opportunities	16
Table 2-6:	Soapspar – Mineral Resources (as at 27/07/2020)	19
Table 2-7:	Soapspar Resource – Risks and Opportunities	20
Table 2-8:	Camp Vein and Grand Central Mineral Resources (as at 27/07/2020)	21
Table 2-9:	Explorer Deposit Mineral Resources (as at 27/07/2020)	24
Table 2-10:	Explorer Resource – Risks and Opportunities	25
Table 2-11:	Lost World Deposit – Mineral Resources (as at 27/07/2020)	27
Table 2-12:	Lost World Resource – Risks and Opportunities	28
Table 3-1:	VALMIN Appropriate Valuation Method Assessment	29
Table 3-2:	Woolgar Gold Project – Resources Summary ^{REF#2}	30
Table 3-3:	Woolgar Gold Project – Tenement Areas ^{REF#8}	30
Table 3-4:	Woolgar Gold Project – Prospectivity Enhancement Multiplier Summary	32
Table 3-5:	Ravenswood Gold Project (EMR Capital) – Transaction Summary	33
Table 3-6:	Hodgkinson Basin Gold Project (Bulletin Resources) – Transaction Summary	34
Table 3-7:	Crush Creek Project (Evolution Mining) – Part 1 Transaction Summary	35
Table 3-8:	Crush Creek Project (Evolution Mining) – Part 2 Transaction Summary	35
Table 3-9:	Gilded Rose Project (Jin Resources) – Transaction Summary	35
Table 3-10:	Golden Ant Project (Greenpower Energy) – Transaction Summary	36
Table 3-11:	Barkly and Babbler Project (Blina Minerals) – Transaction Summary	36
Table 3-12:	Comparable Transaction Values - Summary	37
Table 3-13:	Comparable Transaction Values – Project Weightings	39
Table 3-14:	Woolgar Project Values – By Comparable Transaction Method	39
Table 3-15:	Market Valuation Summary – Woolgar Gold Project	40

FIGURE INDEX

Figure 2-1:	Woolgar Gold Project Location Plan and Regional Geology
Figure 2-2:	Woolgar Project Exploration License Ownership
Figure 2-3:	Strategic Minerals EPM Plan
Figure 2-4:	Strategic Minerals Mining Lease Plan
Figure 2-5:	Big Vein South Location Plan (H&S Report ^{REF#3} Feb 2020 page 7)
Figure 2-6:	Big Vein South Wireframe Interpretation (H&S Report ^{REF#3} Feb 2020 page 2)
Figure 2-7:	Big Vein South Block Model (H&S Report ^{REF#3} Feb 2020 page 5)
Figure 2-8:	Big Vein South Resource Potential Target (H&S Report ^{REF#3} Feb 2020 page 7)
Figure 2-9:	Soapspar Mineral Resource Location Plan
Figure 2-10:	Soapspar 3D Mineralisation Wireframes and Weathering (SRK Report ^{REF#4} Oct 2017 page 14)
Figure 2-11:	Soapspar Grade Tonnage Curves (SRK Report ^{REF#4} Oct 2017 page 18)
Figure 2-12:	Strategic Minerals Deposits Location Plan (ASX Release 30 th June 2015 ^{REF#5})
Figure 2-13:	Explorer Mineralisation Domains (SRK Report ^{REF#6} Oct 2017 page 12)
Figure 2-14:	Explorer Grade Tonnage Curves (SRK Report ^{REF#6} Oct 2017 page 19)
Figure 2-15:	Lost World Mineralisation Domains (SRK Report ^{REF#7} Oct 2017 page 14)
Figure 2-16:	Lost World Grade Tonnage Curves (SRK Report ^{REF#7} Oct 2017 page 24)
Figure 3-1:	Gold Price / oz in AUD ^{REF#9} (https://goldprice.org/gold-price-australia.html)
Figure 3-2:	Woolgar Gold Project Attributable Exploration Expenditure (2010-2020)
Figure 3-3:	Comparable Transaction Value (Per km ²) Ranges Summary
Figure 3-4:	Comparable Transaction Value Ranges (Per Au oz) Ranges Summary

EXECUTIVE SUMMARY

BDO commissioned Mining One Pty Ltd (Mining One) to prepare a Technical Assessment Report containing a Market valuation of the various Mineral assets controlled by Strategic Minerals Corporation N.L (Strategic Minerals).

Strategic Minerals have a 100% ownership in seven Exploration Permits for Minerals (EPM's) and ten Mining Leases (ML's) located in Queensland, Australia that comprise the Woolgar Gold Project. The project is located approximately 250km west of the regional centre of Charters Towers.

The Big Vein South deposit is the most advanced mineral asset where a 23.8Mt @ 1.81 ppm Au Mineral JORC Resource has been quoted for 1.38M oz Au. Woolgar project Mineral Resources total 45.68Mt @ 1.37 ppm Au for 1.995m oz.

The mineral assets were classified as a combination of early stage, advanced exploration and pre-development projects under the VALMIN guidelines. Mining One have completed the market valuation based on the reported JORC Resources and license area for each project.

Mining One utilised the multiples of exploration expenditure (cost based) and Comparable transaction (market based) valuation methods to ascribe a market value to the mineral assets. These valuation methods were assessed as the most suitable valuation methodologies given the reported JORC resources and current pre-development status of the project. Three other valuation methods were considered however, they were not applicable due to either the project status or lack of data to support the valuation process.

The market valuation using the combined valuation methods determined for the mineral assets was estimated to range between A \$31.01M and A \$57.86M with a preferred market value of A \$43.73M. A summary of the valuation is shown below.

ENTITY	VALUATION METHODS	MARKET VALUATIONS (A \$M)		
		Low	High	Preferred Value
Strategic Minerals Corp	Multiples of Exploration Expenditure	31.01	57.86	43.73
	Comparable Transactions			
	PREFERRED MARKET VALUE			A \$43.73M



S Hutchin
Principal Geologist
MINING ONE PTY LTD



D Basile (Reviewer)
Principal Mining Engineer/Director
MINING ONE PTY LTD

1 INTRODUCTION

1.1 Commission and Scope

BDO commissioned Mining One Pty Ltd (Mining One) to prepare a Technical Assessment Report containing a Market value of the Mineral Assets of Strategic Minerals that consists primarily of the Woolgar Gold project located in Queensland, Australia. The status of tenure has been provided in documents sourced from Strategic Minerals Corporation and also independently validated by Mining One using the Queensland government cadastral web portal. All exploration and mining license data can be viewed through this portal. The scope of the report has been completed under the following VALMIN definitions;

1.2 Applicability of the VALMIN Code

1.2.1 Background

This report has been prepared in accordance with the Code for the Technical Assessment and Valuation of Mineral and Petroleum Assets and Securities for Independent Expert Reports, also referred to as the VALMIN Code (2015).

The VALMIN Code is a code written for the Technical Assessment and Valuation of Mineral and Petroleum Assets and Securities for Independent Expert Reports prepared by the VALMIN Committee, a joint committee of the AusIMM (Australasian Institute Of Mining and Metallurgy) and AIG (Australian Institute of Geoscientists) and MICA (Mineral Industry Consultants Association).

BDO, as both the Commissioning Entity and Independent Expert, has obtained from Strategic Minerals Corporation written confirmation that it will comply with the requirements of Clauses 3.3(a), 4.2(a) and 4.2(b) of the VALMIN Code. These clauses relate to independence of the Commissioning Entity from the Independent Expert and the Specialist (i.e. Mining One), and the transparency of all reporting by BDO and Mining One.

1.2.2 Classification of Mineral Assets

The VALMIN 2015 Code (Page 38) defines Mineral Assets classified as either:

(a) **Early Stage Exploration Projects** – Tenure holdings where mineralisation may or may not have been identified, but where Mineral Resources have not been identified.

(b) **Advanced Exploration Projects** – Tenure holdings where considerable exploration has been undertaken and specific targets identified that warrant further detailed evaluation, usually by drill testing, trenching or some other form of detailed geological sampling. A Mineral Resource estimate may or may not have been made, but sufficient work will have been undertaken on at least on prospect to provide both a good understanding of the type of mineralisation present and encouragement that further will elevate one or more of the prospects to the Mineral Resource category.

(c) **Pre-Development Projects** – Tenure holdings where Mineral Resources have been identified and their extent estimated (possibly incompletely), but where a decision to proceed with development has not been made. Properties at the early assessment stage, properties for which a decision has been made not to proceed with development, properties on care and maintenance and properties held on retention titles are included in this category if Mineral Resources have been identified, even if no further work is being undertaken.

(d) **Development Projects** – Tenure holdings where a decision has been made to proceed with construction or production or both, but which are not yet commissioned or operating at design levels. Economic viability of Development Projects will be proven by at least a Pre-Feasibility Study.

(e) **Production Projects** – Tenure holdings – particularly mines, wellfields and processing plants – that have been commissioned and are in production.

The Woolgar project is classified for the purposes of this report as a combination of early stage exploration, advanced exploration and Pre-Development status assets. The exploration potential that exists within the license areas is defined as Early Stage Exploration Projects.

1.2.3 Relevant Extracts

Other relevant sections of the VALMIN 2015 Code that specifically relate to this report are defined on Page 39 of the code as follows:

(a) The VALMIN Code (2015) defines a **Technical Assessment** as such; “is an evaluation prepared by a Specialist of the technical aspects of a Mineral Asset. Depending on the development status of the Mineral Asset, a Technical Assessment may include the review of geology, mining methods, metallurgical processes and recoveries, provision of infrastructure and environmental aspects.”

(b) The VALMIN Code (2015) defines a **Technical Assessment Report** as; “involves the Technical Assessment of elements that may effect the economic benefit of a Mineral asset.”

(c) The VALMIN Code (2015) defines a **Technical Value** as; “an assessment of a Mineral Asset’s future net economic benefit at the valuation date under a set of assumptions deemed most appropriate by a Practitioner, excluding any premium or discount to account for market considerations.”

(c) The VALMIN Code (2015) defines a **Valuation Report** as; “expresses an opinion as to the monetary Value of a Mineral Asset but specifically excludes commentary on the value of any related corporate Securities.”

The Specialist (Mining One Consultants) are following the VALMIN (2015) code in relation to requirements of practitioners as described in Clause 2.2 (a), (b), (c) and (d) in relation to compilation of this report.

In relation to Clause 11.1 of the VALMIN (2015) code the Specialist did not complete a site visit due to the extensive technical information made available by Strategic Minerals and the COVID-19 travel restrictions currently in place. An assessment completed by the Specialist therefore concluded that a site inspection would not provide material data or information that would affect the contents of the Technical Assessment Report or the Valuation Report.

1.3 Independence, Qualifications, Experience and Declarations

Mining One Pty Ltd is an independent private consulting company which has been providing consulting services to the international and local mining industry since 2005.

This Technical Assessment Report and Valuation Report has been prepared by Mr S Hutchin.

Mr Hutchin is a geologist BSc, with over 21 years of experience in the mining industry, and is a member of the Australian Institute of Geoscientists. Mr Hutchin has relevant experience in relation to gold and base metal projects both in Australia and Internationally. He has experience with gold and base metal exploration, Mineral Resource estimation and completion of due diligence reviews on multiple projects.

Mr Hutchin is appropriately qualified and experience to act in the following capacities:

- A Competent Person as defined in the JORC Code (2012).
- An Independent Expert as defined in the VALMIN Code & ASIC Regulatory Guide 111.

Mr Hutchin does not have any significant pecuniary or beneficial interest in Strategic Minerals Corporation or its subsidiaries, or in the outcome of this report. The report has been compiled under our standard consultancy fee agreement with a total fee of approximately \$A 20,000. The payment of these fees is in no way contingent on the conclusion of this technical report or the success/failure of the reason for which this report was commissioned.

1.3.1 Declarations

Mr Stuart Hutchin has sufficient experience relevant to the Technical Assessment and Valuation of the Mineral Assets under consideration and to the activity which he is undertaking to qualify as a Practitioner as defined in the 2015 edition of the 'Australasian Code for the Public Reporting of Technical Assessments and Valuations of Mineral Assets'. Mr Stuart Hutchin consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

1.4 Disclaimer

This report was prepared using data and information which were available to the authors at the time of writing. It is based on data provided which is understood as discussed in Section 1.2.3 above, to be suitably representative of the various mineral properties and projects held by Strategic Minerals Corporation.

2 TECHNICAL ASSESSMENT REPORT – STRATEGIC MINERALS

2.1 Project Location and Access

The Woolgar project is located in North Queensland, approximately 120km north of Richmond and can be accessed by 32km of asphalt and 90km of unpaved, gazetted roads. Access can be intermittent during the summer wet season; hence exploration activities are usually limited to the dry season. Within the project is an extensive network of tracks installed for both the local farms and the historic mining activities, which require regular maintenance, especially in the hillier areas^(REF#1).

The project covers the course of the Woolgar River and its tributaries, where they flow through the foothills of the ranges that divide the savannah grasslands from the southern gulf country in northern Queensland. The south of the project is predominantly low, undulating plains with occasional hills and minor, broad sandy drainages. The terrain becomes progressively hillier and comprises steeply incised sandstone plateau mesas over metamorphic basement exposed in the gullies. The climate is typical of northwest Queensland with dry, mild winters, hot weather from spring to autumn and typically most rainfall during the summer wet season.

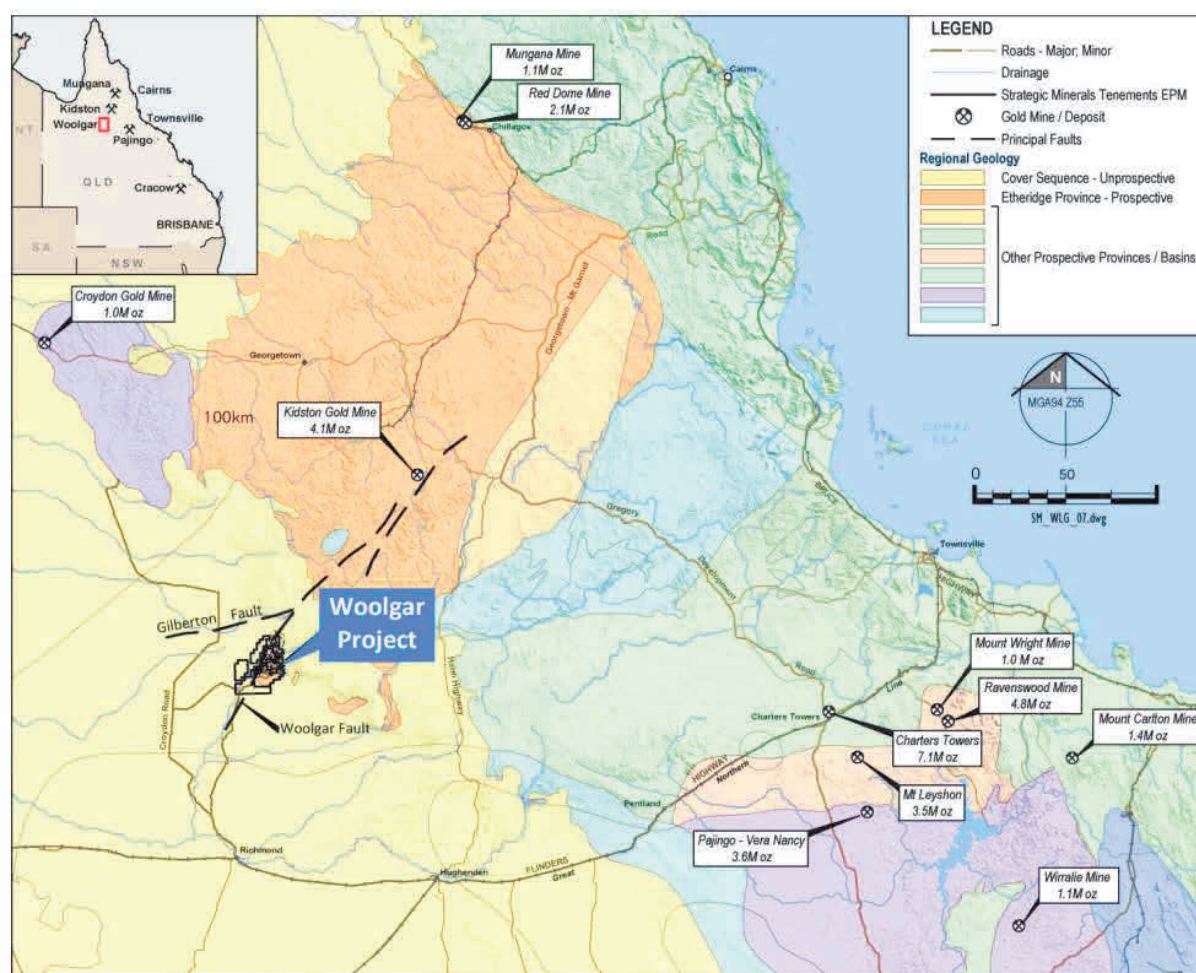


Figure 2-1: Woolgar Gold Project Location Plan and Regional Geology

2.2 Project Ownership and Tenement Holdings

Strategic Minerals retain exploration and mining rights over seven Exploration Permits for Minerals (EPM's) and ten Mining Leases that broadly comprise the Woolgar gold project located in Queensland, Australia. All the exploration and mining licenses are owned by Strategic Minerals via a 100% interest. The Queensland government levy a royalty on gold production ranging between 2.5% and 5% that varies in conjunction with the quoted London gold price. If the gold price exceeds USD890 per ounces, then the rate is 5%. The royalty is calculated on gross metal production from any future mining operation within the mining licenses.

The Exploration Permits for Minerals are shown in Figure 2-3 with each permit details also summarised in Table 2-1.

The exploration permits cover a total area of 1,045 km² and are prospective for gold and precious metals. Six of the seven exploration permits are current with expiry dates ranging between 2021 and 2024. A renewal has been lodged for EPM 11886 which expired in April 2020. The exploration permits are relatively contiguous over the Woolgar project except for multiple small permits held by Energy Minerals Pty Ltd who are a related entity to Strategic Minerals and QGold Pty Ltd to the east who are compulsorily acquiring the outstanding shares in Strategic Minerals. These tenements are shown in Figure 2-2 and Figure 2-3 below.

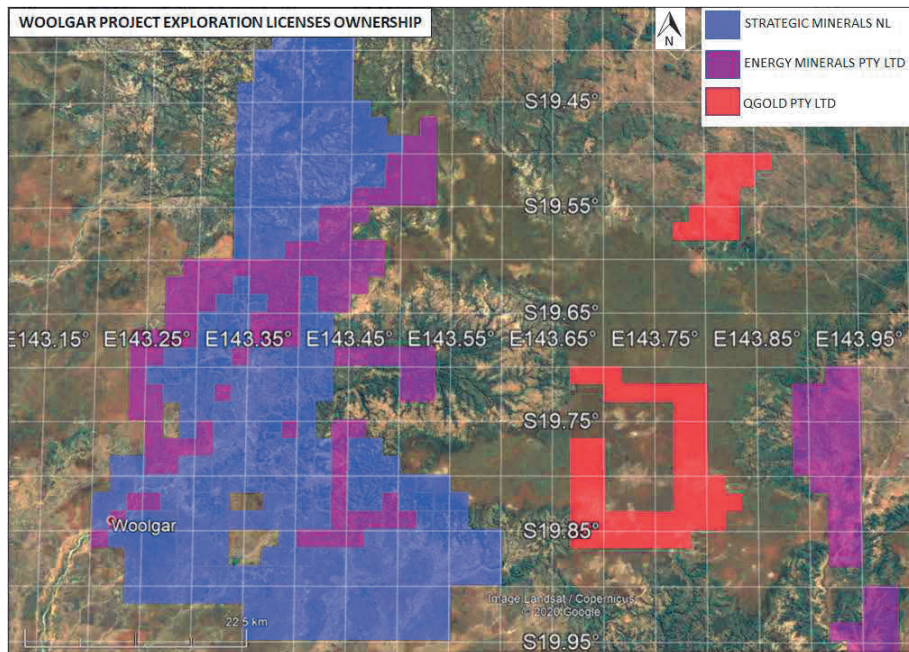


Figure 2-2: Woolgar Project Exploration License Ownership

The nine Mining Leases held via a 100% ownership are shown in Figure 2-4 with details of each summarised in Figure 2-2 below. One Mining Lease (ML10026) is under application, this application was submitted in January 2020. The currently held Mining Leases cover a total area of 19.2 km² with an application submitted for an additional 11.44 km².

Tenement rights have also been granted to Alpha Uranium NL which is a subsidiary of Strategic Minerals with the purpose of conducting exploration for uranium deposits. These activities are currently on hold due to the Queensland government ban on uranium mining. Mining One have therefore not ascribed a value to the Alpha Uranium entity.

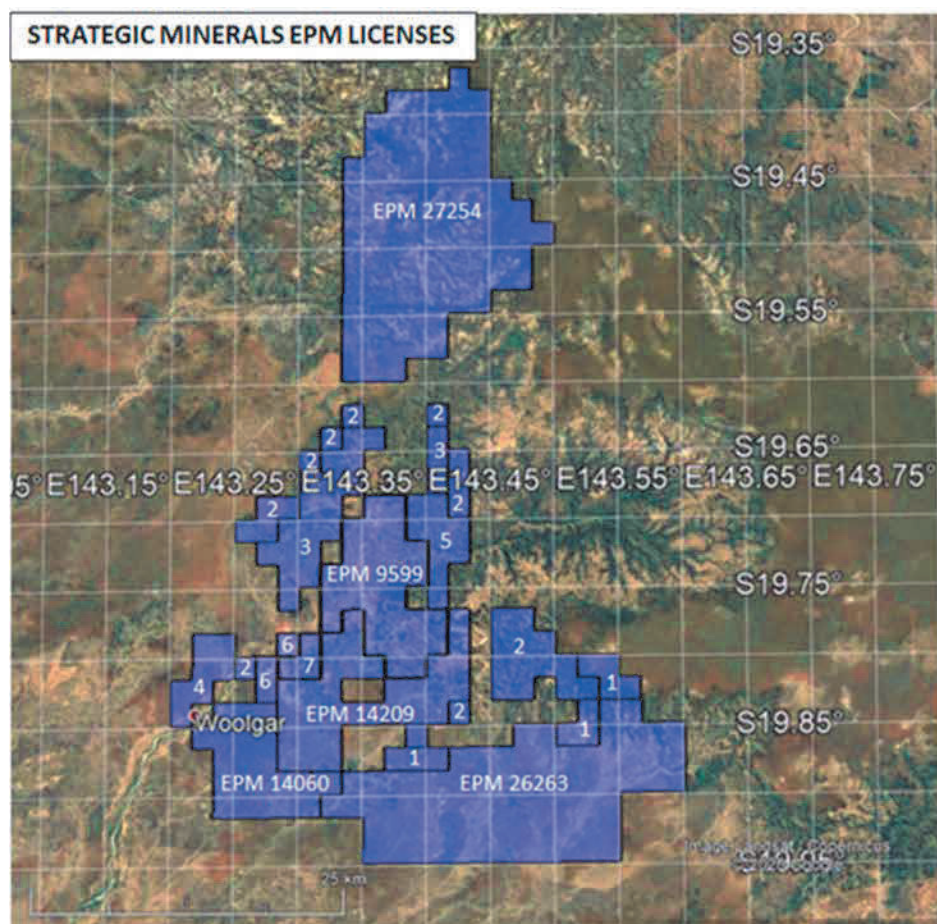


Figure 2-3: Strategic Minerals EPM Plan

Table 2-1: Strategic Minerals – EPM Tenement Schedule

LICENSE NUMBER	PROJECT	HOLDER	GRANT DATE	EXPIRY DATE	AREA km ²
EPM 9599 (7)	Woolgar	Strategic Minerals 100%	02/09/1993	01/09/2024	103.2 (32 sub – blocks)
EPM 11886 (3)	Woolgar	Strategic Minerals 100%	21/04/2004	20/04/2020	67.8 (21 sub -blocks)
EPM 13942 (6)	Steam Engine	Strategic Minerals 100%	09/11/2006	08/11/2021	9.7 (3 sub blocks)
EPM 14060 (4)	Woolgar South	Strategic Minerals 100%	21/04/2004	20/04/2021	90.2 (28 sub-blocks)
EPM 14209 (5)	Woolgar	Strategic Minerals 100%	21/04/2004	20/04/2021	129 (40 sub-blocks)
EPM 26263 (2)	Woolgar	Strategic Minerals 100%	05/12/2016	04/12/2021	322.4(100 sub blocks)
EPM 27254 (1)	Strathpark	Strategic Minerals 100%	07/04/2020	06/04/2025	323 (100 sub blocks)

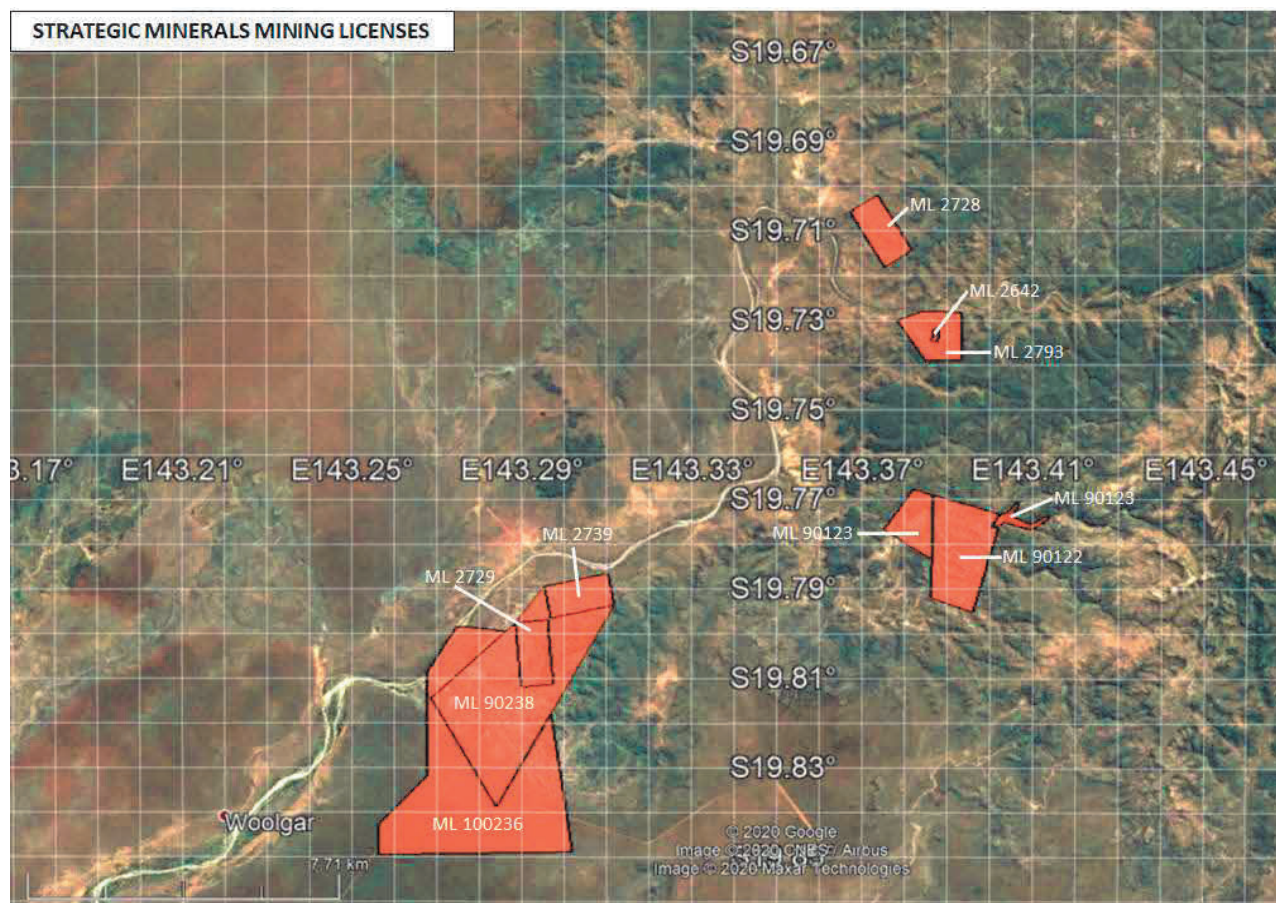


Figure 2-4: Strategic Minerals Mining Lease Plan

Table 2-2: Strategic Minerals – Mining Lease Tenement Schedule

LEASE NUMBER	PROJECT	HOLDER	GRANT DATE	EXPIRY DATE	AREA km ²
ML 2642	Soapspar	Strategic Minerals 100%	31/01/1974	31/08/2029	0.04
ML 2728	Shamrock	Strategic Minerals 100%	25/05/1989	31/08/2029	1.28
ML 2729	Mowbray	Strategic Minerals 100%	25/05/1989	31/08/2029	1.28
ML 2739	Mowbray #3	Strategic Minerals 100%	25/05/1989	31/08/2029	1.28
ML 2793	New Soapspar	Strategic Minerals 100%	08/08/1991	31/08/2029	1.46
ML 90044	Sandy Dam	Strategic Minerals 100%	27/04/1995	30/04/2029	0.28
ML 90122	Sandy Ck	Strategic Minerals 100%	02/09/2004	30/09/2029	3.50
ML 90123	Flat Ck	Strategic Minerals 100%	23/11/2004	30/11/2029	1.25
ML 90238	North Star	Strategic Minerals 100%	19/09/2017	30/09/2034	8.83
ML 100236	Southern Star	Strategic Minerals 100%	Application Jan 2020		11.44

2.3 The Woolgar Gold Project - Technical Assessment Summary

2.3.1 Overview

Mining One have reviewed the technical data associated with The Woolgar Gold Project and surrounding exploration licenses controlled by Strategic Minerals. Gold deposits within the Woolgar project consist of high-grade epithermal gold veins, small mesothermal zones and intrusive related systems such as noted within the Soapspar deposit. Modern exploration activities have included surface soil sampling, geophysical surveys, drilling and subsequent estimation of JORC Mineral Resources. The project is located 250km west of Charters Towers in Queensland, Australia.

2.3.2 Historical Mining and Exploration

Alluvial and reef gold was discovered in the area in 1888 with small scale mining completed intermittently until 1984. The area has been subject to modern exploration since the 1970's. The high-grade epithermal veins were identified as such by Strategic Minerals in 1986. Exploration programs over these vein targets were completed via joint ventures between Strategic Mineral, Oxiana and Barrick Gold.

2.3.3 Geological Setting

The descriptions of the geological setting and mineralisation are sourced directly from annual exploration reports submitted by Strategic Minerals^{REF#1}

"Basement rocks are predominantly Proterozoic metasediments, tentatively identified as the Etheridge Formation, that are tightly folded and strongly foliated, with steeply NNE-dipping fold axial planes and moderately East plunging fold hinges. Bedding is steeply dipping and imparts a regional "grain" to the basement that has strongly influenced the geometry of the larger epithermal veins, although not apparently the mesothermal ones. There is a change in bedding orientation from ESE-striking in the east, to ENE-striking in the west. Anatectic pegmatites are intruded parallel with the schistose layering or into antiformal fold hinges in more pelitic metasediments, late during ductile deformation. These vary from ~10cm to ~>1m. Larger pegmatite intrusions affect the bulk rock rheology, and influence the style of epithermal veining, but not the mesothermal.

At least two suites of Palaeozoic (?) dolerite dykes, with unknown relative ages, intrude the Proterozoic basement, with an additional, apparently much younger and fresher dolerite identified in the Upper Camp. Dolerite dykes, with related quartz-carbonate veining are related to much of the mesothermal mineralisation along the Woolgar trend. Mineralisation occurs especially along the contacts and adjacent, although also weaker within the dykes, but grades are generally lower and less consistent where the dolerite is dominant." REF#1

2.3.4 Mineralisation

"The Woolgar Project is a complex system with multiple overlapping styles of gold mineralisation (namely mesothermal, epithermal, and IRGS) that represent several different mineralisation events. These systems are hosted within a strongly metamorphosed and deformed metamorphic sequence that has been intruded by granitic units on both a regional and outcrop scale.

The style of mineralisation has implications for exploration methodology and targeting. Of particular significance are the distinction between the epithermal and mesothermal structurally-

hosted systems and the identification of Intrusive Related Gold Systems (IRGS), not previously confirmed at Woolgar, but related to many important gold deposits in north Queensland.” REF#1

2.3.5 Woolgar JORC Global Mineral Resources

JORC Mineral Resources are reported for the Big Vein South, Soap spar, Camp Vein & Grand Central, Explorer and Lost World deposits. Total Mineral Resources reported for the greater Woolgar Gold Project are 45.68Mt @ 1.37 ppm Au for 1.995m oz. The Mineral Resource position as at 27/07/2020 is summarised in Table 2-3^{REF#2} below.

Table 2-3: Strategic Minerals – Mineral Resources (as at 27/07/2020)

DEPOSIT	CATEGORY	CUT-OFF (ppm)	TONNAGE (Kt)	Au (ppm)	Au oz
Big Vein South	Measured	0.75	1,400	1.91	87,000
	Indicated		12,900	1.93	799,400
	Inferred		9,500	1.64	498,600
	Sub Total		23,800	1.81	1,384,000
Soap spar	Measured	0.40	1,667	0.91	49,000
	Indicated		1,175	0.90	34,000
	Inferred		472	0.82	13,000
	Sub Total		3,314	0.89	96,000
Camp Vein & Grand Central	Measured	0.40			
	Indicated		2,157	1.18	82,000
	Inferred		607	1.02	20,000
	Sub Total		2,764	1.14	102,000
Explorer	Measured	1	395	3.61	46,000
	Indicated		149	2.22	11,000
	Inferred		351	1.45	16,000
	Sub Total		895	2.55	73,000
Lost World	Measured	0.4	3474	0.87	97,000
	Indicated		8074	0.68	177,000
	Inferred		3155	0.66	66,000
	Sub Total		14,703	0.72	340,000

2.3.6 Big Vein South Mineral Resource Estimation Process

The Big Vein South (BVS) deposit Mineral Resource is based on a combination of reverse circulation (RC) and diamond drillholes totalling 297 holes for 38,659 metres. The deposit comprises gold mineralisation developed within mesothermal vein structures, a main vein and splay vein have so far been defined within the deposit area. Gold is located within deformed quartz-sulphide veins with associated silica-sericite alteration. The mineralisation is interpreted to be structurally controlled.

The BVS model is based on 3D mineralisation domain shapes that were constructed using a nominal 0.1 ppm Au cut-off together with geological logging codes to aid with the interpretation. The wireframe interpretation is shown in Figure 2-6 below.

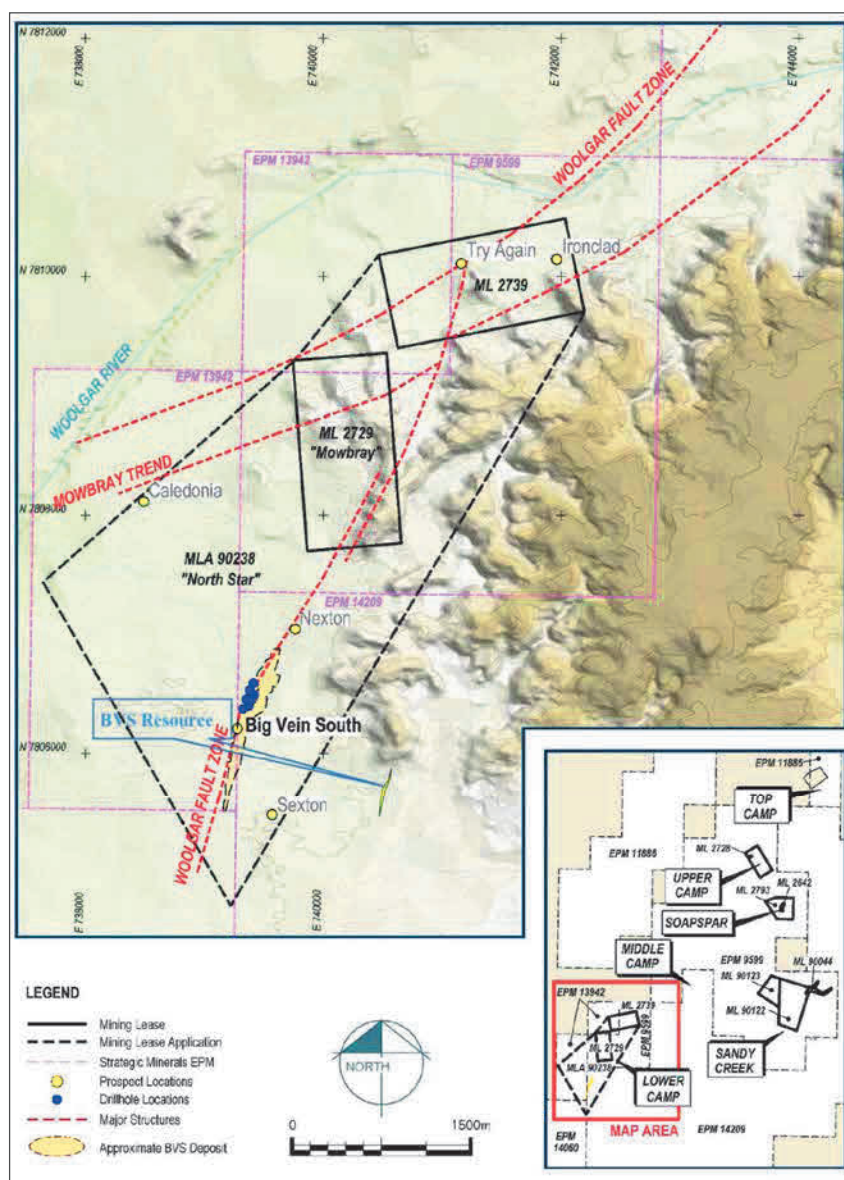


Figure 2-5: Big Vein South Location Plan (H&S Report^{REF#3} Feb 2020 page 7)

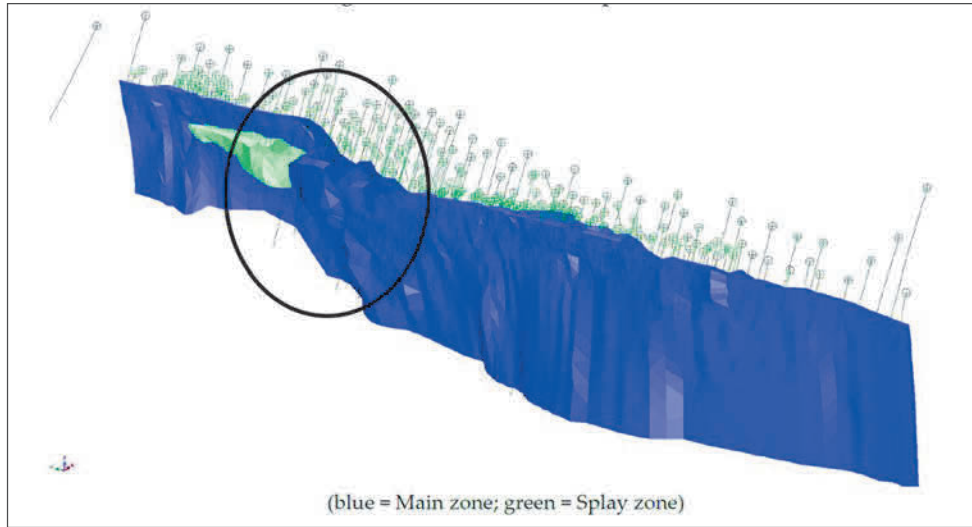


Figure 2-6: Big Vein South Wireframe Interpretation (H&S Report^{REF#3} Feb 2020 page 2)

The model was constructed based on the following:

- 6,606 2m composite samples
- Density was assigned as 2.71 t/m³ for fresh rock and 2.55 t/m³ for oxidized material, these values were based on 1,034 density measurements.
- No top cuts were applied to the gold grades used to inform the estimate
- Gold grades were estimated into the model using ordinary kriging in three estimation passes, namely at 25m, 50m and 75m ranges.
- Resources were classified as Measured, Indicated and Inferred based on drill spacing and geological continuity.

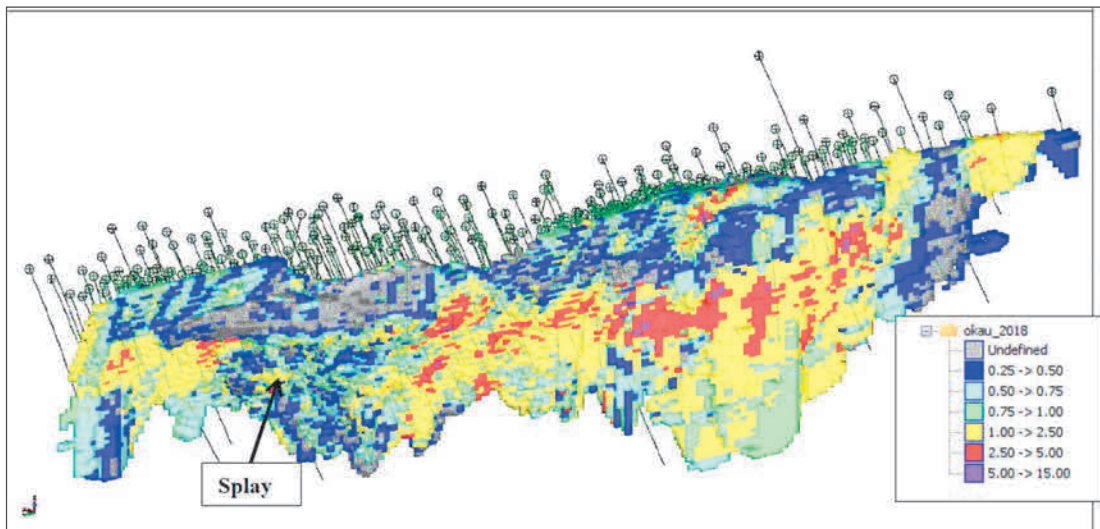


Figure 2-7: Big Vein South Block Model (H&S Report^{REF#3} Feb 2020 page 5)

Table 2-4: Strategic Minerals – Big Vein Mineral Resource (as at 27/07/2020)

DEPOSIT	CATEGORY	CUT-OFF (ppm)	TONNAGE (Kt)	Au (ppm)	Au oz
Big Vein South	Measured	0.75	1,400	1.91	87,000
	Indicated		12,900	1.93	799,400
	Inferred		9,500	1.64	498,600
	Sub Total		23,800	1.81	1,384,000

2.3.7 Big Vein South Mineral Resource Upside

The Big Vein South (BVS) deposit shows resource upside potential primarily at depth as shown in Figure 2-8 below. H&S Consultants have estimated a potential upside target ranging between 5Mt and 9Mt of 1.2 ppm Au to 1.6 ppm Au material.

The resource upside potential at depth is limited unless additional high grade (>5 ppm Au) can be defined with further drilling. Below the current quoted Mineral Resource an underground mining scenerio would be most likely required with the associated higher grade material.

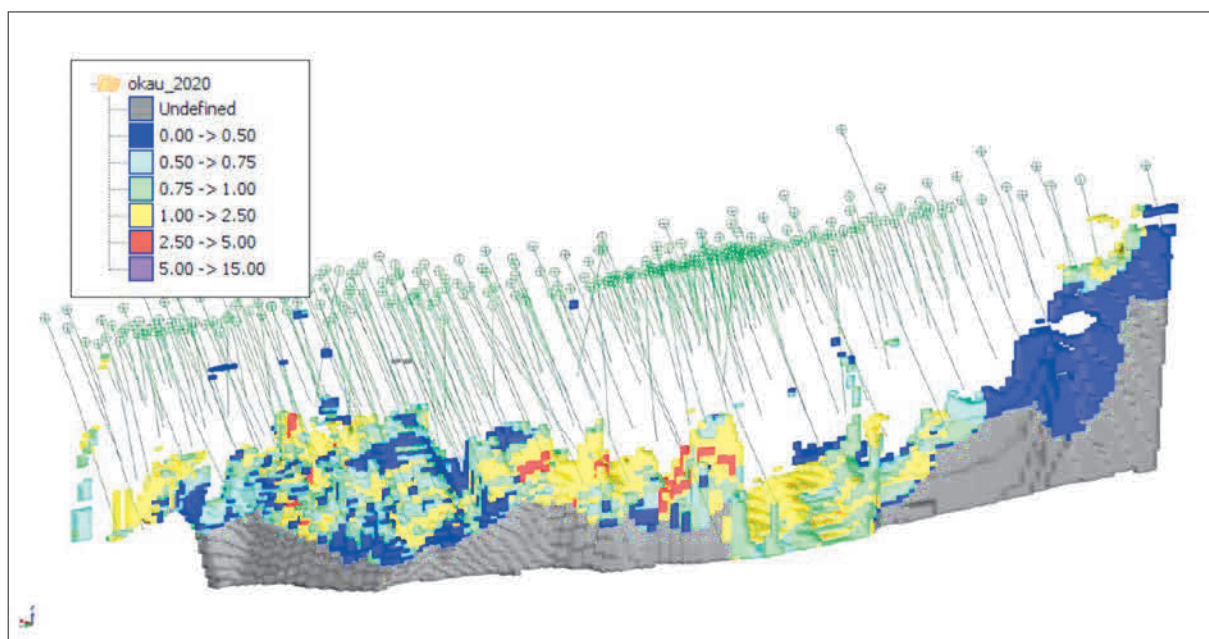


Figure 2-8: Big Vein South Resource Potential Target (H&S Report^{REF#3} Feb 2020 page 7)

2.3.7.1 Big Vein South Mineral Resource – Risks and Opportunities

Mining One completed a high-level review of the modelling methodologies applied to the Big Vein South Mineral Resource. This was done to ensure that the basis for the valuation took these aspects into account when ascribing a valuation based on the stated Mineral Resources. The summary of the risks and opportunities is shown in Table 2-5 below.

Table 2-5: Big Vein South Resource – Risks and Opportunities

RISKS	OPPORTUNITIES
<ul style="list-style-type: none"> Resources reported above a 0.75 ppm Au cut-off without using a pit optimisation shell to also constrain the reported resources. Deeper blocks may not be economic via open pit mining methods. <u>Potentially economic Minerals Resources could therefore be overstated as per the JORC reporting definition.</u> 	<ul style="list-style-type: none"> Resources are reported above a 0.75 ppm Au cut-off. For a potential open pit scenario this cut-off is likely too high within the current gold price and operating cost environment. A cut -off above 0.3 ppm or 0.4 ppm Au is assessed as being more reasonable. <u>Adjusting the cut-off grade is likely to increase the Mineral Resource that can be accessed via open pit mining methods.</u>
<ul style="list-style-type: none"> No top cutting of gold grades has been completed prior to use of data for Mineral Resource estimation. Blocks up to 15 ppm Au are shown in the model indicating that high grade outliers are likely to exist within the deposit. No detailed information was provided in the H&S report as to why top cutting was assessed as not required. <u>The lack of applying top cutting can lead to overestimation of gold grade within certain areas of the deposit. Further confirmation should be completed to ensure top cutting is not required.</u> 	<ul style="list-style-type: none"> Mineral Resource upside has been captured within the current estimate at depth. These blocks could be included in future estimates if more confirmatory drilling is completed. <u>Mineral Resource position could therefore be potentially increased.</u>
<ul style="list-style-type: none"> The same lower cut-off (0.75 ppm Au) has been applied over the entire resource area. <u>The “potentially economic” resources defined at depth should be based on a higher cut -off grade to represent a underground mining scenario. A cut-off of 2.0 or 2.5 ppm Au would be more appropriate for blocks greater than 200m below surface.</u> 	

2.3.8 Soapspar Mineral Resource Estimation Process

The Soapspar deposit Mineral Resource is based on a combination of reverse circulation (RC) and diamond drillholes totalling 243 holes for 16,850 metres. The deposit has been modelled to approximately 100m depth and consists of two domains, namely the Jons Vein and Puzzle zone.

The Soapspar Mineral Resources is located approximately 10km to the northeast of the Big Vein South deposit, the location is shown in Figure 2-9 below.

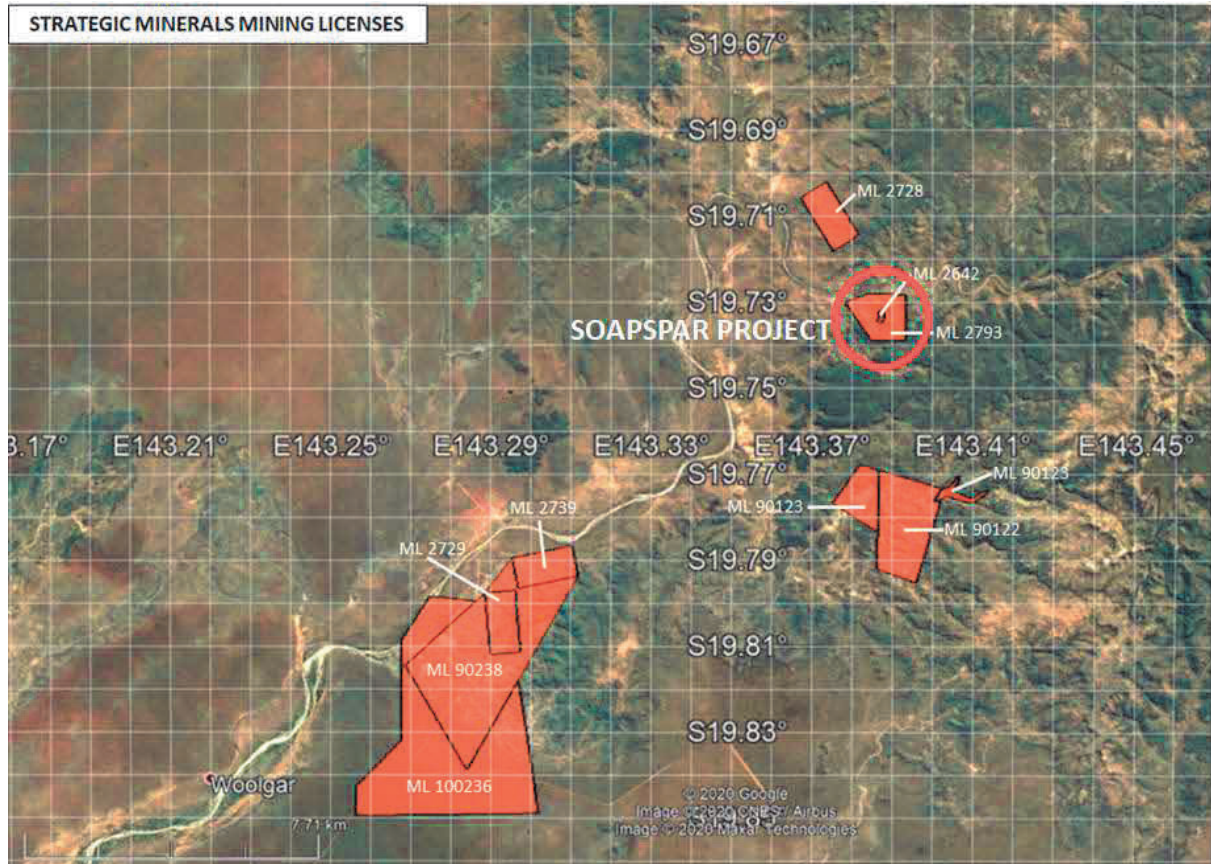


Figure 2-9: Soapspar Mineral Resource Location Plan

Gold mineralisation within Jons Vein is associated with sulphide rich quartz veining and associated alteration within the dolerite dyke host rock. The Puzzle Zone is hosted within a fault structure through an altered gneiss/pegmatite. Gold mineralisation is structurally controlled at the intersection of E-W striking minor faults with the main NE trending fault zone. The dominant alteration style is silica-sericite. Coarse gold is commonly noted within the Puzzle zone however its distribution is irregular and not confined to a particular rock type or vein set.

The Soapspar deposit interpretation is based on 3D mineralisation domain shapes that were constructed using Leapfrog™ software. The Jons Vein domain uses a hard boundary based on a combination of gold grade and geological characteristics. The Puzzle Zone is modelled using a soft boundary but with all data used to estimate the Jons Vein excluded. The wireframe interpretations are shown in Figure 2-10 below.

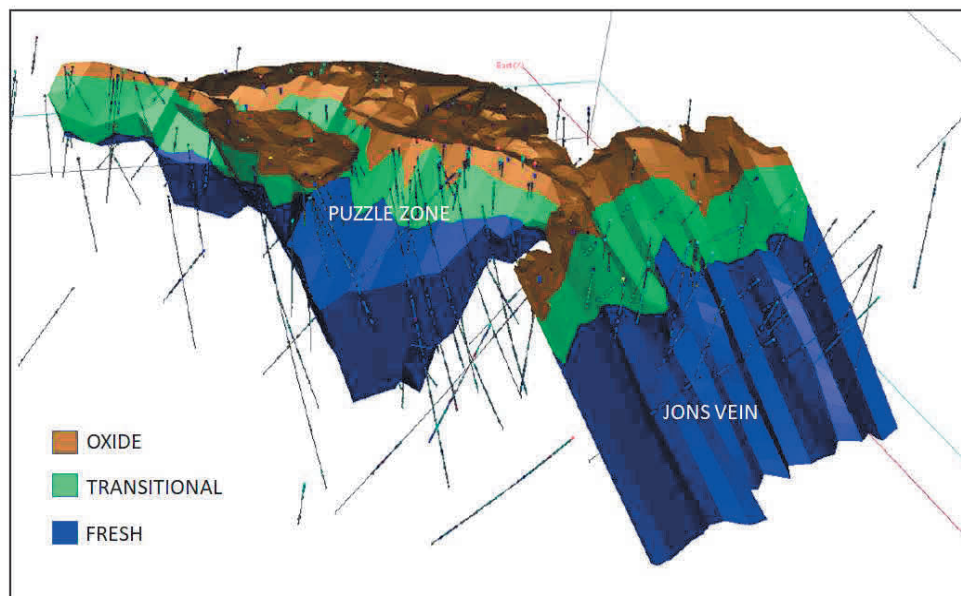


Figure 2-10: Soapspar 3D Mineralisation Wireframes and Weathering (SRK Report^{REF#4} Oct 2017 page 14)

The Soapspar model was constructed based on the following with the results shown in Table 2-6 and Figure 2-11:

- 5m composite samples used for the Puzzle domain
- 1m composite samples used for the Jons zone
- Density was assigned as ranging between 2.16 t/m³ up to 2.74 t/m³ depending on the material type assigned. These values were based on 18 density measurements from diamond core samples.
- High grade outliers were accounted for by restricting to within 5m the search parameters for values above 10 ppm Au during the estimation process.
- Grades were estimated into parent blocks sizes of 10m x 15m x 5m
- Gold grades were estimated into the model using ordinary kriging in three estimation passes, namely at 25m, 50m and 75m ranges.
- A cut-off of 0.4 ppm Au was used to report the Mineral Resource
- Resources were classified as Measured, Indicated and Inferred based on drill spacing and geological continuity.

Table 2-6: Soapspar – Mineral Resources (as at 27/07/2020)

DEPOSIT	CATEGORY	CUT-OFF (ppm)	TONNAGE (Kt)	Au (ppm)	Au oz
Soapspar	Measured	0.40	1,667	0.91	49,000
	Indicated		1,175	0.90	34,000
	Inferred		472	0.82	13,000
	Sub Total		3,314	0.89	96,000

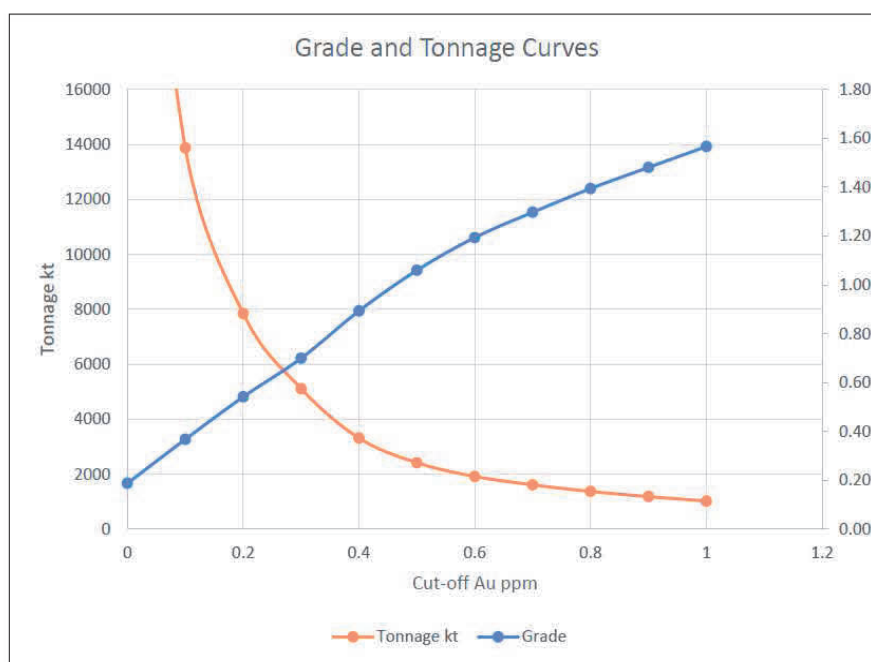


Figure 2-11: Soapspar Grade Tonnage Curves (SRK Report^{REF#4} Oct 2017 page 18)

2.3.9 Soapspar Mineral Resource Upside

The Soapspar deposit shows resource upside potential primarily at depth and along strike of the Jons vein. Drilling has effectively closed off the Puzzle domain both along strike and at depth. There may however be potential to define repetitions of the Puzzle style of mineralisation at depth however no exploration targets have been estimated.

2.3.9.1 Soapspar Mineral Resource – Risks and Opportunities

Mining One completed a high-level review of the modelling methodologies applied to the Soapspar Mineral Resource. This was done to ensure that the basis for the valuation took these aspects into account when ascribing a valuation based on the stated Mineral Resources.

The summary of the risks and opportunities is shown in Table 2-7 below.

Table 2-7: Soap spar Resource – Risks and Opportunities

RISKS	OPPORTUNITIES
<ul style="list-style-type: none"> The density values for each geological domain are based on 18 diamond core samples. Typically, a much larger dataset of density data should be used as the basis for the density value assignment within the model. Additional density measurements should be taken from drill core, a minimum of 100 samples is recommended. <u>The tonnages reported for the Mineral Resources could vary from the stated global tonnages due to this issue. Variability could lead to an increase or decrease in tonnages.</u> 	<ul style="list-style-type: none"> <u>Mineral Resource upside may exist along strike and at depth within the Jons Vein zone. Although the Puzzle domain mineralisation has been closed off by current drilling there could be potential for repetitions at depth for high grade zones as found closer to surface within the deposit.</u>
<ul style="list-style-type: none"> Measured Resources are stated for areas of the Puzzle Zone. <u>Given the low quantity of density measurements, the high nugget of the mineralisation and the complex structural controls on the gold distribution coding blocks as measured may not be “reasonable” from a JORC guidelines viewpoint.</u> 	
<ul style="list-style-type: none"> The global resources have been reported above a 0.4 ppm Au cut-off, this is appropriate for a potential open pit project. <u>Mining One however recommend that the resources be reported within a pit shell also to ensure that blocks are proven to be “potentially economic”. Blocks that fall below a pit shell would therefore need to be reported at a higher cut-off grade to account for a potential underground mining scenario. Applying a pit optimisation to report resources within could therefore decrease the overall global resource tonnage within the deposit.</u> 	

2.3.10 Camp Vein and Grand Central Mineral Resource

The Camp Vein and Grand Central Mineral Resources are located within the Sandy Creek Epithermal vein system in close proximity to the Explorer and Lost World deposits, the location

is shown in Figure 2-12. The currently stated Mineral Resource position is summarised in Table 2-8 below.

Table 2-8: Camp Vein and Grand Central Mineral Resources (as at 27/07/2020)

DEPOSIT	CATEGORY	CUT-OFF (ppm)	TONNAGE (Kt)	Au (ppm)	Au oz
Camp Vein & Grand Central	Measured	0.40	-	-	-
	Indicated		2,157	1.18	82,000
	Inferred		607	1.02	20,000
	Sub Total		2,764	1.14	102,000



2.3.11 Explorer Mineral Resource Estimation Process

The Explorer deposit Mineral Resource is based on a combination of reverse circulation (RC) and diamond drillholes totalling 159 holes for 12,751 metres. Trenching has also been completed over a total length of 160m. The deposit is part of the Sandy Creek epithermal vein system. Two mineralised structures have been interpreted and modelled that dip between -45° and -70° . The deposit has been modelled down to an approximate depth of 100m.

The Explorer Mineral Resource is located approximately 6km to the northeast of the Big Vein South deposit, the location is shown in Figure 2-12.

The Explorer deposit interpretation is based on 3D mineralisation domain shapes that were constructed using a combination of gold grade and geological characteristics. The areas termed the Northern, Southern and Linking Structure have been modelled within the deposit area. In addition two high grade zones have been modelled within the Northern and Linking domains.

The modelled domains are shown in Figure 2-13 below. The domains used to constrain the estimate are the Southern Low Grade Structure, the Northern Low Grade Structure and the Linking Structure which includes the High Grade domain.

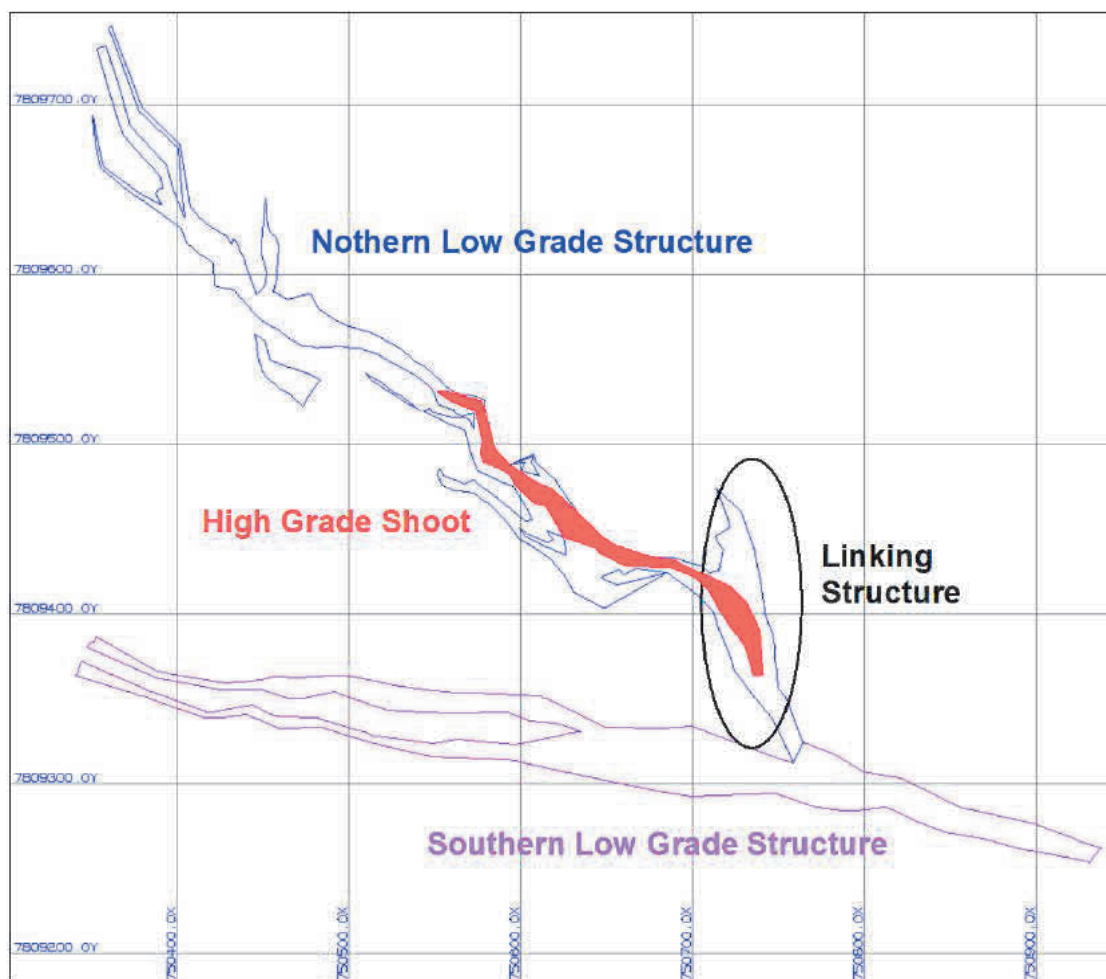


Figure 2-13: Explorer Mineralisation Domains (SRK Report^{REF#6} Oct 2017 page 12)

The Explorer model was constructed based on the following with the results shown in Table 2-9 and Figure 2-14:

- 1m composite samples used for the modelled domains
- Ordinary Kriging used to estimate gold grade into blocks, partial percentage model
- Density was assigned as ranging between 2.59 t/m³ up to 2.68 t/m³ depending on the material type assigned. These values were based on samples of HQ3 core from four drill holes, the quantity of samples is not known.
- High grade outliers were accounted for within the low grade domain by applying a 6 ppm Au top cut. No top cut was applied in the high grade domains.
- A cut-off of 1.0 ppm Au was used to report the Mineral Resource
- Resources were classified as Measured, Indicated and Inferred based on drill spacing and geological continuity.

Table 2-9: Explorer Deposit Mineral Resources (as at 27/07/2020)

DEPOSIT	CATEGORY	CUT-OFF (ppm)	TONNAGE (Kt)	Au (ppm)	Au oz
Explorer	Measured	1	395	3.61	46,000
	Indicated		149	2.22	11,000
	Inferred		351	1.45	16,000
	Sub Total		895	2.55	73,000

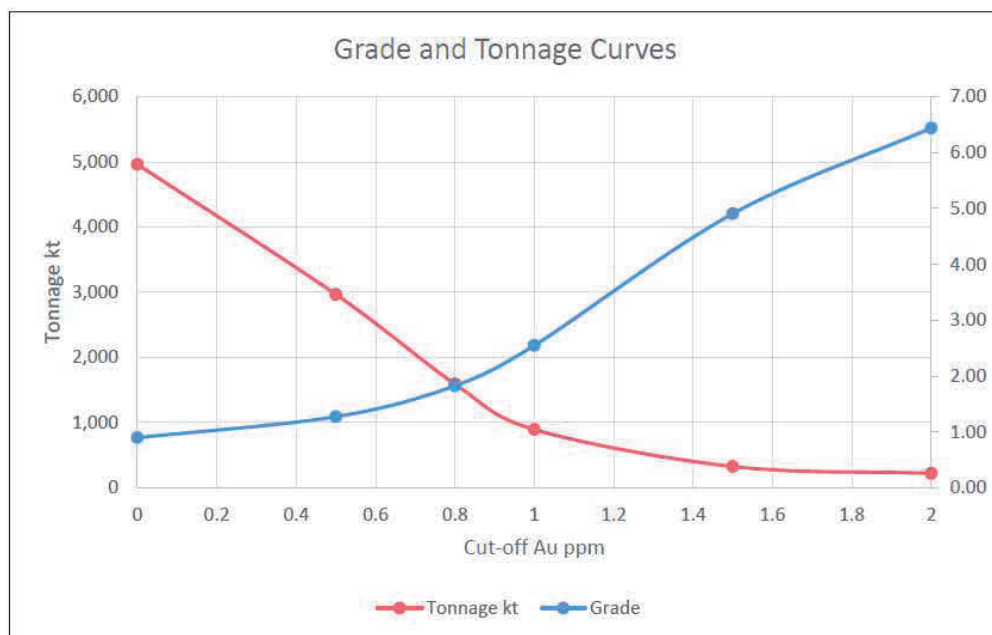


Figure 2-14: Explorer Grade Tonnage Curves (SRK Report^{REF#6} Oct 2017 page 19)

2.3.12 Explorer Mineral Resource Upside

The Explorer deposit might show resource upside potential primarily at depth to define additional high grade shoots within the low grade halos. Information is not however sufficient to place an exploration target on this potential.

2.3.12.1 Explorer Mineral Resource – Risks and Opportunities

Mining One completed a high-level review of the modelling methodologies applied to the Explorer Mineral Resource. This was done to ensure that the basis for the valuation took these aspects into account when ascribing a valuation based on the stated Mineral Resources.

The summary of the risks and opportunities is shown in Table 2-10 below.

Table 2-10: Explorer Resource – Risks and Opportunities

RISKS	OPPORTUNITIES
<ul style="list-style-type: none"> The global resources have been reported above a 1.0 ppm Au cut-off, this is typically high in the current gold price and operating cost environment for a potential open pit project. <u>Mining One also recommend that the resources be reported within a pit shell also to ensure that blocks are proven to be “potentially economic”. Blocks that fall below a pit shell would therefore need to be reported at a higher cut-off grade to account for a potential underground mining scenario. Applying a pit optimisation to report resources within could therefore decrease the overall global resource tonnage within the deposit.</u> 	<ul style="list-style-type: none"> The Explorer Mineral Resource is reported using a 1.0 ppm Au cut-off. This is stated to be due to concerns with the metallurgical recoveries from test work completed. Additional test work using floatation with pressure oxidation and CIL yielded recoveries of 90-98%. <u>A potential viable processing method therefore exists that achieves acceptable recoveries. A lower resource cut-off grade could therefore be used in conjunction with a constraining pit optimisation. This may provide for a material increase in the global Explorer Mineral Resource.</u>

2.3.13 Lost World Mineral Resource Estimation Process

The Lost World deposit Mineral Resource is based on a combination of reverse circulation (RC) and diamond drillholes totalling 306 holes for 24,665 metres. The deposit is part of the Sandy Creek epithermal vein system. Mineralisation is hosted within quartz veins developed within an extensive fault structure located on the western limb of a major syncline. The fault zone is situated on the contact between an intrusive complex and a metamorphic suite of rocks. Gold mineralisation is interpreted to have been focussed in dilational zones along this fault structure.

The Lost World Mineral Resource is located approximately 2km from the Explorer deposit, the location is shown in Figure 2-12 above.

The Lost World deposit interpretation is based on 3D mineralisation domain shapes that were constructed using a combination of gold grade and geological characteristics. A general 0.2 ppm Au cut-off was used to define mineralisation boundaries within steeply dipping structures. Several flatter dipping structures were also modelled. The modelled domains are shown in Figure 2-15 below.

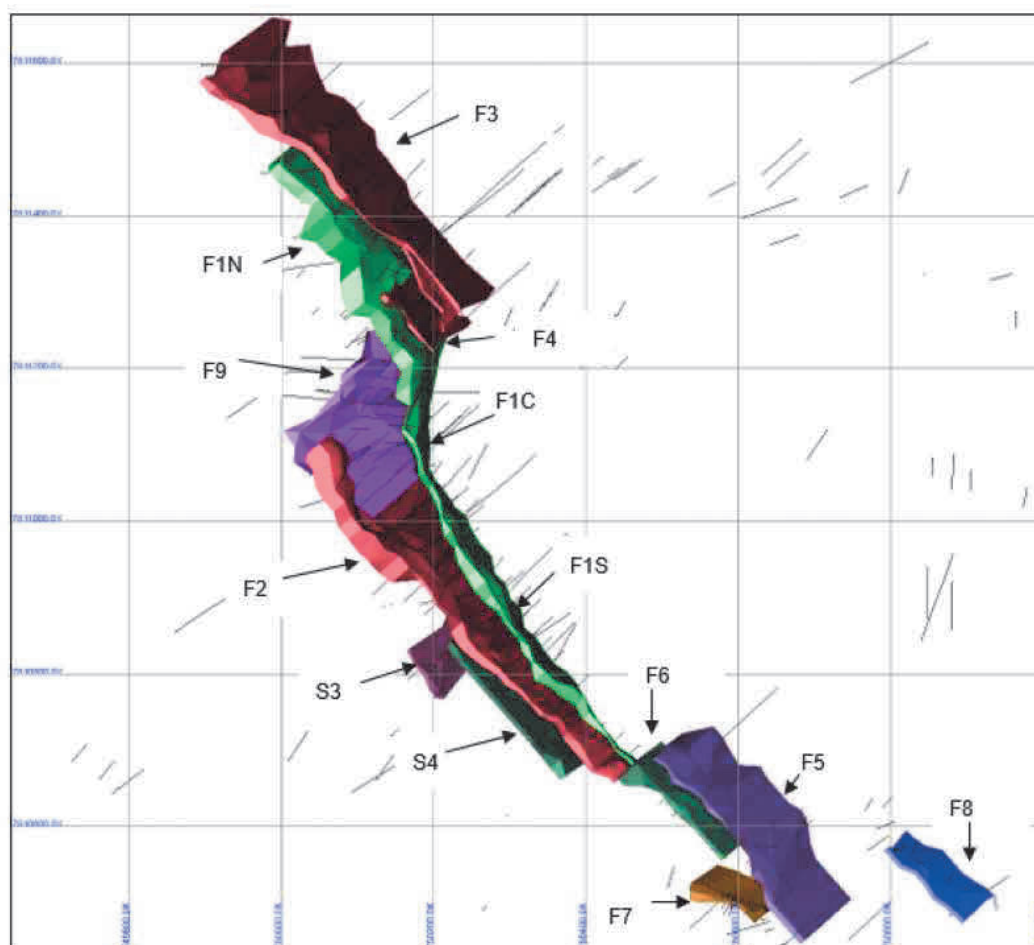


Figure 2-15: Lost World Mineralisation Domains (SRK Report^{REF#7} Oct 2017 page 14)

The Lost World model was constructed based on the following with the results shown in Table 2-11 and Figure 2-16:

- 2m composite samples used for the modelled domains
- Block model constructed using a 2m (X) x 20m (Y) x 10(Z) parent block size.
- Ordinary Kriging used to estimate gold grade into blocks, partial percentage model
- Density was assigned as ranging between 2.59 t/m³ up to 2.68 t/m³ depending on the material type assigned.
- High grade outliers were accounted for by restricting the search radius to 20m for any values greater than 10 ppm Au.
- A cut-off of 0.4 ppm Au was used to report the Mineral Resource
- Resources were classified as Measured, Indicated and Inferred based on drill spacing and geological continuity.

Table 2-11: Lost World Deposit – Mineral Resources (as at 27/07/2020)

DEPOSIT	CATEGORY	CUT-OFF (ppm)	TONNAGE (Kt)	Au (ppm)	Au oz
Lost World	Measured	0.4	3474	0.87	97,000
	Indicated		8074	0.68	177,000
	Inferred		3155	0.66	66,000
	Sub Total		14,703	0.72	340,000

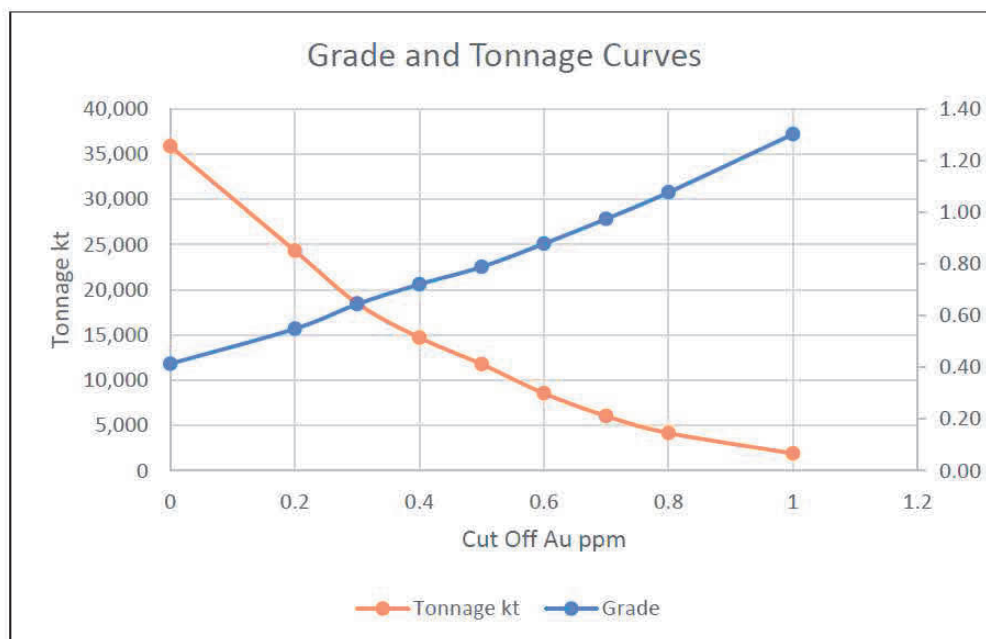


Figure 2-16: Lost World Grade Tonnage Curves (SRK Report^{REF#7} Oct 2017 page 24)

2.3.14 Lost World Mineral Resource Upside

The Lost World deposit has been mapped over a strike length of 1.4 km to date with widths of the overall fault zone and alteration halo ranging between 20m and 50m. The full extent of the structure has not been defined due to younger Jurassic sandstone covering the continuation of the structure to the northwest. Exploration target ranges have not been developed for any potential upside within the Lost World deposit area however it is likely that additional mineralisation could exist both along strike and at depth.

2.3.14.1 Lost World Mineral Resource – Risks and Opportunities

Mining One completed a high-level review of the modelling methodologies applied to the Lost World Mineral Resource. This was done to ensure that the basis for the valuation took these aspects into account when ascribing a valuation based on the stated Mineral Resources.

The summary of the risks and opportunities is shown in Table 2-12 below.

Table 2-12: Lost World Resource – Risks and Opportunities

RISKS	OPPORTUNITIES
<ul style="list-style-type: none"> The Mineral Resource has been reported above a 0.4 ppm Au cut-off but not within an optimised pit shell. <u>Mining One recommends that the resources be reported within a pit shell also to ensure that blocks are proven to be “potentially economic”. Blocks that fall below a pit shell would therefore need to be reported at a higher cut-off grade to account for a potential underground mining scenario. Applying a pit optimisation to report resources within could therefore decrease the overall global resource tonnage within the deposit.</u> 	<ul style="list-style-type: none"> Resource and exploration upside potential exists at depth and along strike particularly where the primary mineralised trend is covered by the Jurassic (younger) aged sandstone unit. <u>Blind repetitions of the Lost World style of mineralisation are therefore possible within the project area.</u>

3 STRATEGIC MINERALS CORPORATION MARKET VALUATION

3.1 Market valuation Methodology

The market valuation for the Strategic Minerals projects was calculated using the comparable transaction method and the multiples of exploration expenditure method with a preferred value determined from the valuation ranges derived from these methods. An explanation for the use and exclusion of each valuation methodology is summarised in Table 3-1.

Table 3-1: VALMIN Appropriate Valuation Method Assessment

Valuation Approach	Specific Method	Mining One Assessment
Market Based	Comparable Transactions 	Seven comparable transactions were defined that provided guidance on ascribing a valuation based on project type and geographical location for the Woolgar Gold project. This method was assessed as applicable. The method was therefore used to guide the market valuation.
	Joint Venture 	Insufficient joint venture agreements were available for projects of a similar type in a similar geographical location.
Cost Based	Exploration Expenditure 	The method uses costs incurred in exploration activities so far completed on each of the project to provide a guide to the replacement cost of the projects. This method was used given that the exploration expenditure incurred to develop the current Mineral Resources is known. The method was assessed as applicable and used to ascribe a project value.
	Kilburn Geoscience Rating 	The Kilburn Geoscience Rating method uses the basic acquisition costs for each project and then applies multiples to account for the exploration prospectivity of each project area. This method is not suitable given that all of the projects have stated JORC resources and was therefore not used.
Income Based	Discounted Cash Flow (DCF) 	Use of the (DCF) method requires detailed cost models to be supplied for each of the projects. Detailed studies and cost models are not available for the Woolgar Gold project and therefore this method is not suitable to use as the basis for ascribing a value.

3.2 Strategic Minerals Corporation - Valuation Basis

The stated JORC Mineral Resources and total project license area form the basis for ascribing a Market value to the assets. Project development status in addition to JORC classification categories are key considerations during the valuation process. The Market valuations are calculated based on an 100% interest basis for the Woolgar Gold Project.

3.2.1 JORC Resources and Project License Area

A summary of the technical characteristics that guides the valuation in relation to the stated Mineral Resources and license area are shown in Table 3-2 below and Table 3-3 below.

Table 3-2: Woolgar Gold Project – Resources Summary^{REF#2}

DEPOSIT	TONNAGE (Kt)	Au (ppm)	Au oz
Big Vein South	23,800	1.81	1,384,000
Soapspar	3,314	0.89	96,000
Camp Vein & Grand Central	2,764	1.14	102,000
Explorer	895	2.55	73,000
Lost World	14,703	0.72	340,000
Global Resources	45,476	1.36	1,995,000

Table 3-3: Woolgar Gold Project – Tenement Areas^{REF#8}

TYPE	Km ²
Exploration	1045.3
Mining	11.44
Total	1056.74

3.3 Gold Price and Exchange Rates

Mining One have reviewed the gold price performance over the last 5 years to ensure that material changes in the Australian dollar gold price are considered as part of the valuation process. Significant changes in the selling price of gold need to be considered as part of ascribing a value using comparable transactions and other valuation methods. The Australian dollar gold selling price has increased approximately 57% between mid-2019 and early 2020 which is a material change and needs to be considered when ascribing values from historical comparable transaction data.

The Australian dollar gold prices between 2015 and 2020 is shown in Figure 3-1 below.

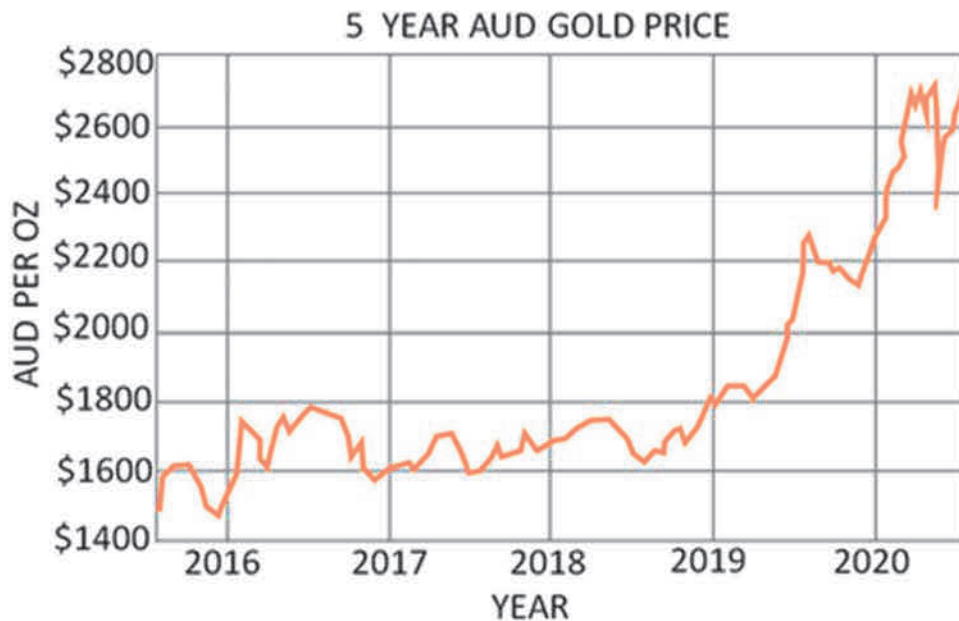


Figure 3-1: Gold Price / oz in AUD^{REF#9} (<https://goldprice.org/gold-price-australia.html>)

3.4 Attributable Exploration Expenditure Valuation Method

Mining One have reviewed the quarterly exploration expenditure on the Woolgar project across all exploration and mining licenses since the 3rd quarter of 2010 when the significant drilling definition programs were commenced by Strategic Minerals on the deposits where Mineral Resources are now quoted. This period of exploration expenditure completed by Strategic Minerals is therefore assessed as applicable in relation to establishment of the Woolgar project gold endowment. Only claimed exploration and evaluation expenditure has been included and has been sourced from ASX Quarterly cash flow reports.

The total cumulative exploration expenditure on the Woolgar project is estimated from these cash flow reports as A\$15.12M, average quarterly exploration expenditure over this period is A\$0.39M. The historical exploration expenditure that is attributable to the Woolgar project is shown in Figure 3-2 below.

When using historical exploration expenditure to ascribe a market valuation it is important to apply a Prospectivity Enhancement Multiplier (PEM) that captures in simplistic terms the value added from the exploration expenditures. Global resources for the Woolgar Gold project of 1.995 M oz

have been defined from the exploration and drilling programs completed since 2010. The global resources are therefore significant and are now JORC 2012 compliant. Further studies are however required to determine what proportion of these resources could be converted to reserves.

Mining One have applied PEM ranges between 2.00 and 3.50 for the project given the large JORC global resources developed as a result of the exploration expenditure. The estimated market values ascribed after applying the PEM to the historical expenditure are summarised in Table 3-4 below.

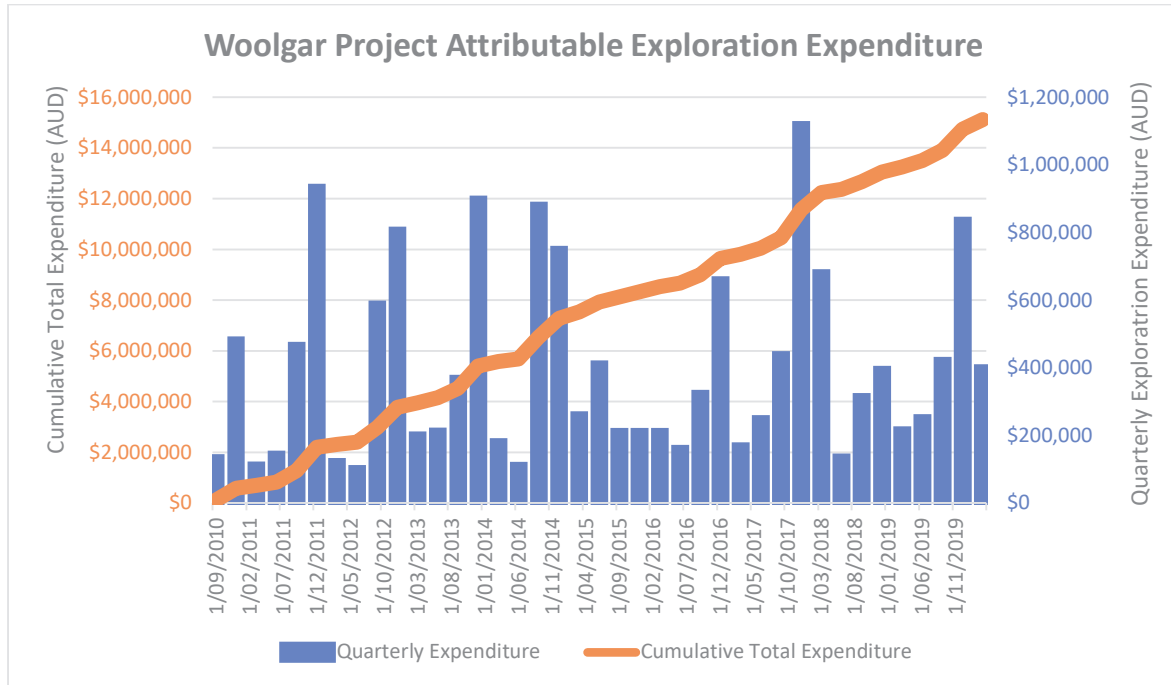


Figure 3-2: Woolgar Gold Project Attributable Exploration Expenditure (2010-2020)

Table 3-4: Woolgar Gold Project – Prospectivity Enhancement Multiplier Summary

Project	PEM Factor Range		Actual Expenditure (A\$M)	Estimated Valuation (A\$M)
Woolgar	Low	2.00	15.12	30.24
	Mid	2.75	15.12	41.58
	High	3.50	15.12	52.92
PREFERRED VALUE				<u>41.58</u>

Mining One have selected the midpoint PEM factor to ascribe a project valuation based on attributable exploration expenditure. The value as shown in Table 3-4 is therefore A\$41.58M based on this method.

3.5 Comparable Transaction Valuations

Mining One have identified six comparable transactions to inform the Market valuation of the Strategic Minerals Woolgar Gold project. These transactions involve gold projects located in Queensland, Australia and are at advanced exploration, pre-development and thought to production status as per the VALMIN project definitions.

The comparable transactions used are summarised as follows:

3.5.1 Ravenswood Gold Project– EMR Capital Acquisition

On 15th January 2020 Resolute announced the sale of the Ravenswood Gold project to a consortium led by EMR Capital. The Ravenswood project is located approximately 100km south of Townsville in northern Queensland, Australia and has been in continuous operation since 1987 mining from a combination of open pit and underground operations.


JORC Mineral Resources reported for the project include measured of 76.57Mt @ 0.80 ppm Au, indicated of 82.16Mt @ 0.70 ppm Au and inferred of 102.53Mt @ 0.70 ppm Au. Total Mineral Resources are 5.88M ounces^(REF#12).

JORC Reserves are also reported within the Resources proven and probable of including 115.5Mt @ 0.70 ppm Au^(REF#12).

Consideration for the acquisition of the project comprised a combination of upfront and deferred payments which value the acquisition between A\$100M and A\$300M^(REF#13). This transaction value range of was therefore used to ascribe a value per Mineral Resource ounce for the project at the time of acquisition.

The transaction value ranges between \$A17.01 and \$A51.02 per Mineral Resource ounce with an average of A\$34.01 per ounce. The transaction values are summarised in Table 3-5 below.

Table 3-5: Ravenswood Gold Project (EMR Capital) – Transaction Summary

Project	Acquirer	Date	Consideration (A\$M)			Value/Resource Au oz (A\$)		
			LOW	HIGH	MID	LOW	HIGH	MID
Ravenswood		01/07/2020	100	300	200	17.01	51.02	34.01

3.5.2 Hodgkinson Basin Gold Project – Bulletin Resources

On 3rd August 2018 Bulletin Resources announced that they would acquire an 80% interest in the Hodgkinson Gold Project located in north Queensland, Australia. The project consisted of 11 mining and 19 exploration licenses with 618,000 oz of JORC 2004 Mineral Resources reported. Total consideration for the acquisition was between \$1.65M to \$2.15M AUD depending on conditions being met such as an additional \$0.5M AUD payment 90 days after first production from the project.

The Mineral Resources reported have not been updated to the JORC 2012 guidelines however they comprise 13.25% measured, 48.98% indicated and 37.77% coded as inferred. Total attributable resources for an 80% interest are 9.12Mt @ 1.70 ppm Au for 498,640 oz Au^(REF#14).

The gold price was A\$1,600/ oz at the proposed transaction date, as of July 2020 the AUD gold price is approximately A\$2,800 representing a 75% increase. Mining One have therefore applied a 25% increase to the per Mineral Resource ounce values attributed to the acquisition of the

Hodgkinson Gold Project to account for the material increase in the Australian dollar gold price since August 2018.

The adjusted transaction value therefore equates to a range between \$4.14 and \$5.39 per stated resource ounce. The summary of the acquisition costs and value per resource ounce are summarised Table 3-6 below.

Table 3-6: Hodgkinson Basin Gold Project (Bulletin Resources) – Transaction Summary

Project	Acquirer	Date	Consideration (A\$M)			Value/Resource Au oz (A\$)		
			LOW	HIGH	MID	LOW	HIGH	MID
Hodgkinson Basin		03/08/2018	1.65	2.15	1.90	3.31	4.31	3.81
			Gold Price Adjusted +25%			4.14	5.39	4.76

3.5.3 Crush Creek Project – Evolution Mining Acquires a 70% Interest

On the 19th June 2020 Evolution Mining announced^(REF#15) that it will pay \$7M AUD to acquire a 70% interest in Crush Creek exploration project. An option also exists for Evolution to acquire the remaining 30% for \$4.5M AUD and a 10% net profit interest on production greater than 100,000 ounces.

The project is located 30km southeast of the Mt Carlton mine owned by Evolution Mining. The project is classified as an advanced exploration project in relation to the VALMIN guidelines.

The Crush Creek project exhibits analogies to the Mt Carlton epithermal style and is prospective for gold, silver and copper mineralisation. Significant diamond drill results have been reported by Evolution in the ASX release on the 19th June 2020^(REF#15) including 31.7m @ 5.68 ppm Au from 61m downhole, 26m @ 4.34 ppm Au from 71m downhole and 4m @ 25.89 ppm Au from 144m downhole.

The Crush Creek project at the time of the transaction consisted of 2 granted exploration permits for minerals (EPM 27521 and EPM 27509) that cover a total area of 52 sub blocks (167.7 km²). JORC Resources have not been reported within the Crush Creek project area.

Given the lack of reported JORC Mineral Resources Mining One have compared the transaction based on the exploration license area and likelihood for future definition of JORC Resources based on the existing drilling results to ascribe a value.

The transaction values for the 70% (Part 1) and additional 30% (Part 2) acquisition scenarios for the Crush Creek project are summarised in Table 3-7 below. The range of valuations are between 0.018 and 0.089 per km². A transaction cost of A\$2.1M has been applied to Part 1 which relates to the 70% earn in due to A\$ 4.9M in costs being associated with required exploration expenditure to achieve a 70% interest, the free carried component is A\$2.1M.

Table 3-7: Crush Creek Project (Evolution Mining) – Part 1 Transaction Summary



Project	Acquirer	Date	Consideration (A\$M)			Value/km ² (A\$M)		
Crush Creek Part 1		19/06/2020	LOW	HIGH	MID	LOW	HIGH	MID
			2.1	2.1	2.1	0.018	0.018	0.018

Table 3-8: Crush Creek Project (Evolution Mining) – Part 2 Transaction Summary

Project	Acquirer	Date	Consideration (A\$M)			Value/km ² (A\$M)		
Crush Creek Part 2		19/06/2020	LOW	HIGH	MID	LOW	HIGH	MID
			4.5	4.5	4.5	0.089	0.089	0.089

3.5.4 Gilded Rose Gold Project– JIN Resources (HK) Acquisition

On the 2nd June 2020 Jin Resources announced ^{REF#16} that it had agreed to acquire the Gilded Rose project from Ausmex. The project is located near Cloncurry in north western Queensland Australia.

The Gilded Rose project consists of four mining leases and one exploration license, covering a total of 36km². There is a CIP Gold Plant with a design capacity of 60,000 tpa, currently not in operation and other infrastructure on site. No 2012 JORC compliant Mineral Resources are reported for the project, however there have been significant historical drilling results such as 19m @ 5.53 ppm Au ^{REF#17}

Consideration for the acquisition of the project comprised a combination of a A\$2.5M upfront payment and A\$1.5M in deferred and production dependent payments. The consideration therefore ranged between A\$2.5M and A\$4.0M for the project. This transaction value range of was therefore used to ascribe a value per Exploration Target tonne for the project at the time of acquisition.

The transaction value ranges between \$A0.08M and \$A0.10M per exploration license km². The transaction values are summarised in Table 3-9 **Error! Reference source not found.** below.

Table 3-9: Gilded Rose Project (Jin Resources) – Transaction Summary

Project	Acquirer	Date	Consideration (A\$M)			Value/km ² (A\$M)		
Gilded Rose	JIN Resources	02/06/2020	LOW	HIGH	MID	LOW	HIGH	MID
			3.0	4.0	3.5	0.08	0.11	0.10

3.5.5 Golden Ant Project – Greenpower Energy Acquisition

On 15th August 2019 Greenpower Energy announced that they would acquire a 100% interest in the Gold Ant Gold project located in north Queensland, Australia^{REF#18}

The Golden Ant project consists of 11 mining leases (9.26km²) and an application for EPM 27283 (301 km²) surrounding the mining licenses which was not granted at the transaction date and therefore not considered during the valuation process. Historical gold production was recorded at the Camel Creek, Golden Cup and Big Rush deposits within the project area.

The acquisition was completed via a combination of staged cash payments, consultancy agreements and then issuance of Greenpower Energy shares once JORC Mineral Resources are established. The stage payment scenario leads to an acquisition cost ranging between A\$0.2M and A\$1.75M with an average of A\$0.97M. The acquisition cost ascribes a value per license area ranging from A\$0.02M to A\$0.19M with an average of A\$0.1M per km². The summary of the transaction values are shown in

Table 3-10 below.

Table 3-10: Golden Ant Project (Greenpower Energy) – Transaction Summary

Project	Acquirer	Date	Consideration (A\$M)			Value/km ² (A\$M)		
			LOW	HIGH	MID	LOW	HIGH	MID
Golden Ant		15/08/2019	0.20	1.75	0.97	0.02	0.19	0.10

3.5.6 Barkly and Babbler Project– Blina Minerals

On 24th September 2019 Blina Minerals announced^{REF#19} that they would acquire a 50% interest in the Barkly and Babbler gold-copper project located approximately 45 km east of Tennant Creek, Northern Territory. The project is prospective for high grade Tennant Creel style gold-copper-bismuth mineralisation with analogies to the historical Peko Mine.

The 50% interest is to be acquired via the issuance of 861,000,000 (at \$0.00075 per share) fully paid ordinary shares in Blina Minerals and an additional A\$300,000 exploration expenditure within 6 months of completion of the acquisition. Base consideration for the acquisition is therefore A\$645,750 and A\$945,750 after the additional exploration expenditure is completed.

No JORC resources are reported within the project area however significant drilling results have been reported including 20m @ 8.17 g/t Au, 0.61% Cu and 0.22% Bi from 157m and 11m @ 0.98 g.t Au , 0.68% Cu and 0.03% Bi from 116m^{REF#20}

The summary of the transaction values are shown in Table 3-11 below.

Table 3-11: Barkly and Babbler Project (Blina Minerals) – Transaction Summary

Project	Acquirer	Date	Consideration (A\$M)			Value/km ² (A\$M)		
			LOW	HIGH	MID	LOW	HIGH	MID
Barkly and Babbler		24/09/2019	0.65	0.95	0.80	0.008	0.012	0.010

3.6 Comparable Transaction Summary

The comparable transaction data show a range of values in relation to the per resource ounce and license area km² paid for projects. These values are often influenced by the status of the project, accessibility of resources in relation to conversion to reserves and the proportions within each confidence classification. A summary of the values derived from each comparable transaction are shown in Table 3-12 below and also displayed in Figure 3-3 and Figure 3-4.

Table 3-12: Comparable Transaction Values - Summary

Transaction	Value Range (\$A/Resource oz)		
	Low	High	Average
Ravenswood	17.01	51.02	34.01
Hodgkinson	4.14	5.39	4.76
Averages	8.42	19.62	14.01
	Value Range (\$AM/License Area km ²)		
Crush Creek Part 1	0.018	0.018	0.018
Crush Creek Part 2	0.089	0.089	0.089
Gilded Rose	0.08	0.11	0.10
Golden Ant	0.02	0.19	0.10
Barkly & Babbler	0.008	0.012	0.010
Averages	0.043	0.078	0.059

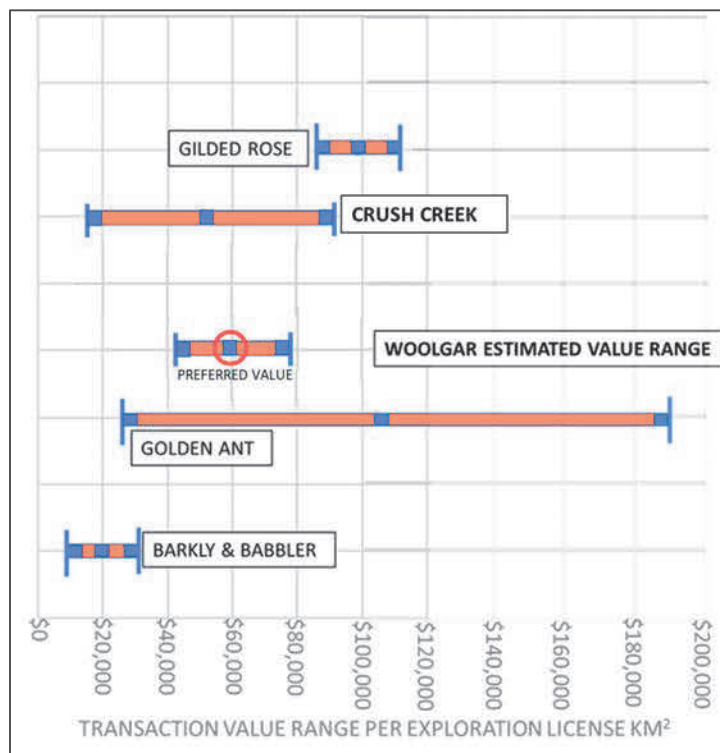


Figure 3-3: Comparable Transaction Value (Per km²) Ranges Summary

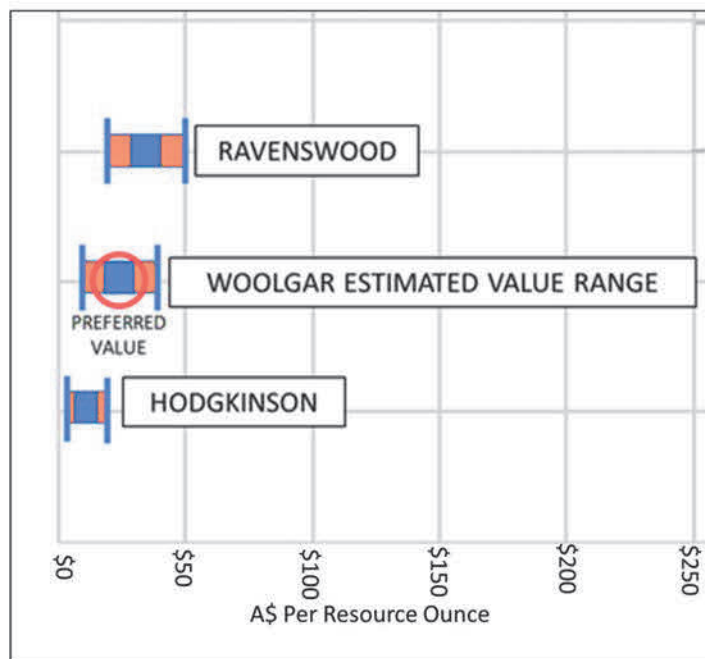


Figure 3-4: Comparable Transaction Value Ranges (Per Au oz) Ranges Summary

Applying these base comparable transaction values to the Woolgar Gold Project gives a large range of market valuations. To better apply the transactions for ascribing a value for the Woolgar project other factors need to be accounted for including;

- Mineral Resource category proportions and if Reserves have been reported
- Infrastructure and if an operating mine is established to enable gold production in the short term
- Likelihood that stated Mineral Resources can be converted to JORC Reserves.

Mining One has therefore applied a weighting to the transaction values to account for these aspects for each project. For example, the Ravenswood project is an established operational mine whereas the Hodgkinson project contains JORC resources without an operational mine and associated infrastructure. Consideration of these aspects has provided the transaction weightings as summarised in Table 3-13.

Table 3-13: Comparable Transaction Values – Project Weightings

Transaction	Value Range (A\$/Resource oz)			
	Valuation Weighting	Weighted Low	Weighted High	Weighted Average
Ravenswood	0.30	8.42	19.62	14.01
Hodgkinson	0.70			
	Value Range (A\$/License Area km²)			
Crush Creek 1	0.25	0.044	0.078	0.059
Crush Creek 2	0.25			
Gilded Rose	0.10			
Golden Ant	0.20			
Barkly & Babbler	0.20			

Application of the weighted comparable transaction data to the Woolgar project Mineral Resource position and total license area provides the range of valuations as shown in Table 3-14.

Table 3-14: Woolgar Project Values – By Comparable Transaction Method

Type	A\$M	A\$M	A\$M
	Low	High	Average
Valued Per Resource oz	16.80	39.14	27.95
Valued Per License Area km ²	45.98	81.51	61.66

3.7 Market valuation Summary

The Market valuation of the Woolgar Gold Project was completed using two valuation methods, namely the multiples of exploration expenditure and the comparable transaction methods. Mining One has ascribed a Market valuation based on seven comparable transactions and the attributable exploration expenditure reported for the Woolgar project between the 3rd quarter of 2010 and the 1st quarter of 2020.

A summary of the Market valuations completed and the combined preferred Market value is shown in Table 3-15 below. The preferred Market value for the project was selected by taking the midpoint value between the multiples of exploration expenditure and Comparable transaction valuations.

Table 3-15: Market Valuation Summary – Woolgar Gold Project

VALUATION METHOD	MARKET VALUE (A\$M)		
	Low	High	Ave
MULTIPLES OF EXPLORATION EXPENDITURE	30.24	52.92	41.58
COMPARABLE TRANSACTIONS (PER RESOURCE OZ)	16.80	39.14	27.95
COMPARABLE TRANSACTIONS (PER LICENSE KM2)	45.98	81.51	61.66
TOTAL VALUATION RANGE AVERAGES	31.01	57.86	43.73
PREFERRED MARKET VALUE	A\$ 43.73M		

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- 11) <https://evolutionmining.com.au/reservesresources/>
- 12) <https://miningdataonline.com/property/612/Ravenswood-Mine.aspx#Reserves>
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- 17) <https://www.yamines.com.au/projects/gilded-rose/>
- 18) <https://www.asx.com.au/asxpdf/20190815/pdf/447hdkhlh6rzi0.pdf>
- 19) <https://www.businessnews.com.au/article/Blina-lands-stake-in-NT-gold-play>
- 20) <https://www.asx.com.au/asxpdf/20190924/pdf/448sw1qm4bjf4d.pdf>

DOCUMENT INFORMATION

Status	FINAL
Version	3
Print Date	21 th August 2020
Author(s)	Stuart Hutchin
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Job No	2762_G
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DOCUMENT CHANGE CONTROL

Version	Description of changes/amendments	Author (s)	Date
1	Draft Report	S Hutchin	06/08/2020
2	Draft Report	S Hutchin	09/08/2020
3	Final Report	S Hutchin	21/08/2020

DOCUMENT REVIEW AND SIGN OFF

Version	Reviewer	Position	Signature	Date
1	Dean Basile	Senior Mining Engineer		7/08/2020

**CORPORATIONS ACT
PART 6A.2
OBJECTION FORM**

QGold Pty Ltd
PO Box 10630
Brisbane Qld 4000
(**QGold**)

Dear shareholders

OBJECTION TO COMPULSORY ACQUISITION

Pursuant to section 664E(1) of the Corporations Act 2001 (Cth) (**Corporations Act**), I/we of (insert name) _____, being the holder of _____ ordinary shares in Strategic Minerals Corporation N.L. (**Strategic Minerals**) covered by the notice of compulsory acquisition (**Notice**) hereby notify QGold that I/we object to the compulsory acquisition of the ordinary shares in Strategic Minerals Corporation held by me/us and acknowledge that this objection:

- (a) relates to all securities of the above class that are covered by the Notice and are held by me/us as at the end of the objection period; and
- (b) cannot be withdrawn.

If this objection form is completed, signed and returned, I/we acknowledge and consent to a copy of this form being lodged with Australian Securities & Investment Commission (**ASIC**) and my/our name and shareholding in the Company being included in a list to be lodged with ASIC and Strategic Minerals and for disclosure of this information to be made in a public announcement provided to the Australian Securities Exchange. This form can be returned by either:

- (a) mailing it to the above address; or
- (b) scanning and emailing to notificationsqgold@qcoal.com.au.

Yours faithfully

Signature of director

Signature of director/company secretary
(Please delete as applicable)

Name of director (*print*)

Name of director/company secretary (*print*)

OR

Signature of shareholder

Signature of second shareholder *(if applicable)*

Name of shareholder *(print)*

Name of second shareholder *(if applicable) (print)*

Date

INSTRUCTIONS:

1. Please insert your name, address and number of shares where indicated on this Objection Form.
2. Please sign and date this Objection Form where indicated. This Objection Form will not be valid unless it is signed correctly in accordance with the specified signing instructions set out below.

Individual: Where the shareholding is in one name, the shareholder must sign.

Joint Holding: Where the shareholding is in more than one name, all of the shareholders must sign.

Power of Attorney: Where signing as Power of Attorney ("**POA**"), you must attach an original certified copy of the POA to this form.

Companies: Where the holding is in the name of a company, this form must be signed in accordance with the Corporations Act, either as:

- a sole director and sole company secretary; **OR**
- two directors; **OR**
- a director and a company secretary.

3. If you wish to object to the compulsory acquisition, this Objection Form must be returned to the address specified above by no later than one month after the Notice was given. Under the *Corporations Act 2001* (Cth), the Notice is deemed given 3 days after it is posted.